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Energy Agency Agrees to Cuts In Oil Imports

By James Goldsborough

PARIS, Feb. 7 (UPI)—The International Energy Agency today agreed on oil-conservation measures that would cut its members' imports by 2 million barrels a day by the end of this year, Etienne Davignon, chairman of the 18-nation body, announced today.

The agency put off, however, any agreement on U.S. proposals for an oil floor-price until next month. There was considerable disagreement among some of the members over attempts by the U.S. delegation to press an agreement on an oil-price framework during this three-day meeting, according to an agency delegation.

Arabs Begin Blacklisting Some Banks

Anti-Zionist Move

Bond Market

By Carl Gewirtz

PARIS, Feb. 7 (UPI)—Arab banks have begun exerting pressure to keep European banks from considering identified with Zionist causes from operating in the international bond market.

The Arab banks, which deny these banks the commissions and profits to be earned on bond transactions.

Lazard Freres & Cie. of Paris, one of the banks excluded from a recent international bond issue floated for French state agencies, has complained out this discrimination to the French Finance Ministry.

"We have put the question to a government," a Lazard spokesman said today. Asked to identify the question, he said that some Arab banks participating in co-managers (of the bond issues) have asked that Lazard be excluded from these syndicates.

"We don't deny the right of the Arabs to make loans where they want," he continued. "But we don't understand how or why they can take such a position inside their own country" regarding the business of other banks.

No Comment

Finance Minister Jean-Pierre Godeaux had no comment on the move, an official said.

In addition to Lazard of Paris, the Arab blacklist are S.G. Warburg of London and the French and British Rothschild banks. Lazard Brothers of London are not on the blacklist.

Bankers conversant with Arab attitudes stress that the motivation is anti-Zionist rather than anti-Jewish. They note that they can take such a position inside their own country" regarding the business of other banks.

For the banks on the blacklist, however, the Arab pressure is intensifying. A year ago, these banks simply found they were no longer being invited to help manage as many deals as they had in the past. It was clear at banks that the Arab oil-producing states might find oil deals were not being invited to sit on the same 8 to 10-unit team of managers.

Neither Warburg nor Rothschild, for example, has managed an issue for the European Investment Bank since the end of 1973. Both had been registered on Page 2, Col. 5.



RESCUED FROM ASMARA—An Italian resident, wounded in the Ethiopian fighting, arrives in Addis Ababa after having been evacuated with relatives in a special airlift.

Firing Reported Near Addis Ababa

ADDIS ABABA, Feb. 7 (AP)—Ethiopian soldiers exchanged gunfire with civilians for an hour early today in street fighting on the southern edge of Addis Ababa, according to diplomatic sources.

The sources said that the fighting appeared to erupt when Eritreans in Addis Ababa resisted army efforts to round them up.

A truckload of Eritreans had been taken into custody and driven out of Addis Ababa, the sources said.

Meanwhile, in a statement broadcast over Radio Ethiopia, the ruling Military Council said that Eritrean's unity was inviolable. The statement condemned what it called acts of sabotage in Eritrea and added that the military government would under no circumstances allow "wanton killings" to continue in Eritrea.

Explosions were heard during the night north of Asmara, the capital of the province of Eritrea. Asmara itself was reported calm and under control of 20,000 government troops. It is surrounded by a 6,000-man force of Eritrean rebels.

Sources said that the blasts were made by rebels blowing up a bridge to trap army trucks in

territory which the insurgents control.

To the south of Asmara, rebels have blocked an army convoy carrying supplies and troops from reaching the provincial capital.

Improving a Bit

The new shop: that have food and are willing to sell are open," a diplomatic source reported from Asmara. "A bit of water is being pumped to some quarters of the

city. Things are improving a bit."

Asmara, Ethiopia's second largest city, has been without fresh food and oil supplies since secessionists and government troops began fighting last Friday.

The civil strife began to have repercussions in other provinces. In Tigre, the city of Mikelle was short of oil because it receives its fuel supply from Asmara, (Continued on Page 2, Col. 4)

Pentagon Seeks Sub Missiles Able to Attack ICBM Silos

By John W. Finney

WASHINGTON, Feb. 7 (NYT)—The Defense Department is proposing to add a new dimension to its strategic arsenal by giving future submarine-launched missiles a capability to attack enemy intercontinental missiles in their silos.

In some congressional circles, there is concern that the Pentagon's proposal would drastically change the character of the submarine-based deterrent force and introduce new instabilities into the strategic arms competition with the Soviet Union.

The Pentagon's proposal was contained in secret portions of the research and development budget presented to the Senate and House Armed Services Committees this week, according to committee sources.

The Defense Department requested funds to develop a "good, hard-target capability" for the Trident-2 missile, the sources said.

The Trident-2 is an advanced, 5,000-mile-range missile being developed for the 10 Trident submarines planned by the Defense Department as partial replacements for the Polaris and Poseidon submarines.

Cities Targeted

Until now, submarine-based missiles had been viewed primarily as an inherently invulnerable deterrent force that could be used to retaliate against Soviet cities and industrial centers, even if the U.S. land-based missile and bomber forces were destroyed in a Soviet attack.

Partly because of the problem of pinpointing the location of a submarine, the submarine-launched missiles had not been regarded as having sufficient accuracy to attack a "hard target," such as an underground missile silo.

However, with the new development program, the Pentagon is moving in the direction of making the submarine rockets capable of attacking Soviet missiles in their silos.

Sen. Thomas McIntyre, D-N.H., (Continued on Page 2, Col. 2)

Calm Is Restored in Lima; New Police Chief Appointed

By Jonathan Kandell

LIMA, Feb. 7 (NYT)—Calm returned to this city after two days of rioting and looting in which about 100 persons died, according to the Peruvian military government's estimates.

A new police chief took over leadership of the 30,000-man national police force, whose strike was put down by an army assault on a garrison post here Wednesday morning. The assault led to large-scale civilian riots.

The disorders have been confined to Lima, mostly the downtown section, which was pocked with burned-out buildings, shattered windows and other debris from stores looted by bands of youths.

The rioting apparently was set off by outrage at the heavy-handed

army tactics against the striking police and was fed by an underlying antipathy to the six-year-old military government among some civilian sectors. Inflation, which last year reached 30 per cent, has also been an issue. Factory workers, public employees and miners staged strikes during the weeks preceding the police walkout.

But the political and economic overtones of the outbreak were quickly overshadowed by the widespread looting and vandalism.

The government announced that more than 650 persons were under detention for participating in the vandalism.

The new police chief, Lt. Gen. Gaston Zapata de La Flor, said he would "take all actions necessary to solve the problems" of the police force.

One of the conditions that had been set by the striking policemen was the removal of the former police chief, Lt. Gen. Roberto Acosta Rodriguez. There was no indication that police wage demands had been met by the government.

Large numbers of policemen apparently have returned to their posts and replaced the army troops that had patrolled the city for the last two days.

The government today deported two British reporters from the Reuters news agency, which was closed yesterday afternoon for allegedly reporting "false information," according to the Ministry of Interior. The newsmen are Patrick Buckley and Andrew Tarnowski. They were put on a flight to Santiago.

Businesses Reopen

LIMA, Feb. 7 (UPI)—Peru's leftist government, whose spokesmen have contended that the riots were caused by reactionary elements opposed to its program of reform, said it was releasing the figure of 100 killed to combat false rumors.

It ordered citizens to go back to work. Banks opened for the first time in a day and a half.

Jobless Rate Reaches 8.2% In U.S., 5.1% in Germany

By Peter Milius

WASHINGTON, Feb. 7 (WP).

—The nation's unemployment rate last month reached its highest level since the Depression, rising from 7.2 to 8.2 per cent of the work force, the government reported today. This means that nearly 1 worker out of every 12 was without a job in January.

The number of unemployed rose 930,000 in January alone, to 7.33 million. The total has risen 2.3 million in the last five months, a sign of the speed with which the recession has spread through the economy.

[Unemployment in West Germany reached a 16-year high in January when 1,154,200 persons were out of work, 5.1 per cent of the total labor force, the Federal Labor Office said today, according to the Associated Press.]

[This confirmed an earlier Finance Ministry report and emphasized that foreign workers in West Germany were particularly hard hit. Their jobless rate was 6.3 per cent.]

[In February, 1959, total unemployment was 1,203,311. The January, 1975, figure was 208,400 above that of December when the rate was 4.2 per cent and 533,800 higher than in the same period last year.]

The number of jobs in the U.S. economy declined by 640,000, the fourth monthly decline in a row, as employers cut back production and laid off employees to adjust to dropping demand. The layoffs, moreover, mean that demand will decline still further.

The Ford administration predicted only five days ago that unemployment would average 3.1 per cent this year, rising somewhat above that point at first but then leveling off and perhaps subsiding.

But Alan Greenspan, chairman of the Council of Economic Advisers, said in testifying before Congress' Joint Economic Committee yesterday that the administration now thinks unemployment will rise to a peak of 8.5 per cent this year.

Some economists believe even that rate is too low.

The administration has argued

that there is no way to drive unemployment much below these projections without refueling inflation.

In Congress, however, Democrats lashed out at the administration today. Sen. Edward Kennedy, D-Mass., said the administration was "paralyzed by fear of inflation in the future" and

accused the President of an "abdication of national economic leadership."

Sen. Hubert H. Humphrey, D-Minn., chairman of the Joint Economic Committee, said taxes must be cut more than the President has proposed—and speeding

(Continued on Page 2, Col. 4)



Roy Ash



Alan Greenspan

Bleak U.S. Economic Figures Reportedly Nearly Concealed

By Paul E. Steiger

WASHINGTON, Feb. 7.—Last-minute pressure by a group of staff members on the Council of Economic Advisers forced the Ford administration to tear up its more palatable projections and publish the gloomy economic forecasts that were included in the fiscal 1976 budget, government sources said.

The pessimistic projections have since earned President Ford high marks from private economists around the country, although they have caused him considerable political pain.

But they would not have been made public, a source said, had it not been for "a handful of lowly staffers in the Council of Economic Advisers who were ready to take out an ad in the Wall Street Journal if necessary."

Unemployment at 8 1/2 %

The bleak projections, which attracted considerable attention when the budget was sent to Congress Monday, were that for the next two years unemployment would be near 8 per cent and that the rate of inflation would continue to be high, assuming Mr. Ford's energy and economic programs were enacted.

The story of how the pessimistic predictions came to be published began, according to sources, about three weeks ago, when the finishing touches were being put on analyses to be included in the annual report of the Council of Economic Advisers.

Using the latest revised data, members of the council staff came up with more pessimistic estimates on unemployment, output and other key economic variables than those on which the initial budget estimates were based. Those estimates were included in Mr. Ford's State of the Union address Jan. 15.

The staffers' estimates indicated that the President's program had already been announced and the budget was being printed. Therefore, it was argued, the economic report should be written so that it did not conflict directly with the budget.

A source said that Alan Greenspan, chairman of the Council of Economic Advisers, was persuaded to accept this view.

But, the source said, some of Mr. Greenspan's subordinates fiercely disagreed and prevailed. Mr. Greenspan could not be reached for comment on this report.

It could not be learned to what extent Mr. Ford became involved. A source said that the President became aware that there was a potential conflict between the budget and the economic report and that he ordered Mr. Greenspan and Roy Ash, then director of the Office of Budget and Management, to resolve it.

A source said that Mr. Ash decided that there was no choice but to make the budget conform to the economic report.

Overhaul of Figures

Therefore, a vast overhaul of spending and revenue figures in the various budget documents was done almost overnight.

In addition, budget officials revised a table of economic projections that was printed in the budget. It was this table that contained the forecasts of unemployment and inflation that caused an uproar when the budget was made public.

Such a table will be required by law in all budgets beginning with the one submitted next year but it could have been excluded legally this year. It was clear, however, that knowledgeable economists, using the revised budget numbers, could quickly estimate the new figures on unemployment, economic growth and inflation. The best course, Mr. Ash reportedly decided, was to go forward with plans to publish the table.

A source said the President actually saw the new predictions for the first time Jan. 31, when copies of the economic report were brought to his office for a meeting with his economic advisers. By that time, a few advance copies were already in the hands of reporters.

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Colson Says Nixon Doubted Ford's Ability

WASHINGTON, Feb. 7 (AP)—Former White House aide Charles Colson said today that former President Richard Nixon talked seriously in December, 1973, about resigning as president but expressed doubt about whether Vice-President Ford could handle the job.

Mr. Nixon was particularly concerned about whether Mr. Ford could control Secretary of State Henry Kissinger, Colson said.

Mr. Kissinger was asked about Colson's comments as he left the White House today. He replied: "I will not dignify that with a comment."

In a television interview Colson quoted Mr. Nixon as saying: "Maybe what this country needs is a nice clean Jerry Ford. The trouble with Jerry Ford is it would take him two years just to get up speed. Also, Jerry's greatest difficulty is he couldn't control Henry Kissinger."

Unstable at Times

"You know, Henry really is unstable at times," Colson quoted Mr. Nixon as saying.

Colson recently released from federal prison after serving 7 months of a 1-to-3-year sentence for obstruction of justice, said that Mr. Nixon made the com-

ments during a conversation on Dec. 18, 1973.

At the time, Mr. Nixon was resisting efforts to turn over additional White House tapes to Watergate prosecutors and House and Senate investigators.

Colson said that, during the same period, Mr. Nixon told him that he would resign if the Supreme Court ruled he had to surrender the tapes.

"He said he would not sit and preside over the destruction of the presidency," Colson said. "He said if he lost in the Supreme Court on the tapes he would resign."

Counted on Appointees

Colson said that Mr. Nixon was confident that the Supreme Court, and particularly the four justices whom he had appointed during his presidency, would support him.

The court ruled 5 to 4 in July, 1974, that Mr. Nixon had to surrender the tapes.

Mr. Nixon resigned the presidency three weeks later.

Colson said that Mr. Nixon's comment about Mr. Kissinger apparently was based on the secretary of state's advocacy of an early resumption of the bombing of North Vietnam in December, 1972.



Charles Colson

Colson said that Mr. Kissinger, then White House adviser for national security affairs, had resumed secret negotiations in Paris with the North Vietnamese on Dec. 5, 1972, and immediately called Mr. Nixon: "Start the bombing immediately. These

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HEAVY TRAFFIC—A tank mixes with traffic in downtown Lima as quiet returned.

Charges Advisers Sent to Arabs

Israeli Says Rift With Egypt Is Russian Propaganda Ploy

TEL AVIV, Feb. 7 (UPI)—Defense Minister Shimon Peres today accused the Soviet Union of pretending to strain relations with Egypt as a propaganda ploy and said Russia has sent 7,000 advisers to the Arabs and soldiers and airmen from Cuba and Communist nations in South-east Asia.

He said a Russian spy ship was patrolling off the Israeli coast, in the Mediterranean, "turning its ear ceaselessly to what is going on along the Israeli coast and within Israel itself. The Russians are trying to learn Hebrew."

Mr. Peres made the remarks four days before the scheduled arrival in Israel of Secretary of State Henry Kissinger on the first leg of a Middle East tour to try to work out a second-stage accord between Israel and Egypt.

Mr. Peres told members of the Tel Aviv Industrialists and Commerce Club that he agreed with Mr. Kissinger's step-by-step approach to an Arab-Israeli peace settlement, but he would prefer to know in advance what an overall settlement would be and then move toward it in phases.

Mr. Peres said that, in addition to Soviet advisers, a force from Cuba and pilots from North Korea and North Vietnam were helping the Arabs. He did not say to which Arab countries they had gone or identify the type of Cuban force.

The United States will never be able to identify itself with the most extreme position of the Arabs, as does the Soviet Union," Mr. Peres said. "It will never, like the Soviet Union, be able to invest such immense sums of money with so relatively modest results."

During the last 20 years, he said, the Soviet Union had given Egypt \$2.5 billion in military and economic aid.

Government sources said Mr. Kissinger's statement made in Washington yesterday, that he might call off his Mideast diplomatic mission, showed that Mr. Kissinger is confident that both Israel and Egypt keenly desire a second-stage peace agreement.

"By this statement he actually urges both sides to cooperate," a source said. "It's a kind of pressure on both sides."

"Because of their wish to succeed," the source said, "both sides will make the necessary effort." Mr. Kissinger said he may have to call off his mediation efforts if he is unable to achieve a second-stage accord in the final.

State Department officials said yesterday that Mr. Kissinger is planning a follow-up trip to the Middle East to work out details

of a disengagement accord between Israel and Egypt if his exploratory mission next week succeeds.

Step by Step

But the officials said that a failure would mean that Mr. Kissinger would abandon his step-by-step approach to an overall peace settlement between Israel and the Arabs.

The officials said that Mr. Kissinger would return to the Middle East some weeks after work out the details of an accord if the exploratory mission is successful.

Mr. Kissinger is scheduled to arrive in Israel Monday to begin talks with Premier Yitzhak Rabin, and then travel to Cairo on Wednesday for talks with Egyptian President Anwar Sadat.

Although Mr. Kissinger did not say that the cancellation of his mediation efforts would mean the resumption of the Geneva Middle East conference, the Israeli government sources said that would be the result.

The Geneva talks are co-sponsored by the United States and the Soviet Union.

Russians, Extremists

Reconvening the Geneva talks, a source said, would be "a loss of United States exclusivity in the Middle East and strengthening of the Russians and extremists in the area."

Meanwhile, former Israeli Foreign Minister Abba Eban today was quoted by the Jerusalem Post as saying that Mr. Kissinger's Mideast mission probably would fail and that Israel should prepare instead for a reconvening of the Geneva peace conference.

U.S. Raises Trident Plan

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the chairman of the Senate Armed Services Subcommittee on Research and Development, asked in a letter submitted this week to Defense Secretary James Schlesinger.

"If we develop an effective third-stage capability in our Trident-2 missile, won't this radically change the character of our sea-based missile force, the inherently limited accuracy of which has given us the sure capability of destroying soft targets, such as cities, while avoiding a destabilizing threat to the Soviets' own deterrent of land-based missiles?"

"Counterforce" Programs

Furthermore, he asked, "Couldn't this more than double the instabilities already introduced by the counterforce programs for our land-based intercontinental ballistic missiles which you have insisted upon?"

As reflected in Sen. McIntyre's question, counterforce capabilities are regarded in arms-control circles as inherently destabilizing because they raise fears that a deterrent force may be eliminated in a preemptive first strike by the other side.

At the direction of Mr. Schlesinger, the Pentagon is moving to give a counterforce capability to land-based Minuteman missiles armed with multiple warheads. Because they have greater accuracy, flexibility and control, land-based missiles had been regarded as more suitable for the counterforce role than submarine-launched missiles.

Now, however, the Defense Department has concluded that certain technological improvements can be made in the submarine-launched missiles to give them the accuracy needed for attacking missile silos. A possibility is the development of warheads whose course can be corrected during the terminal phase of their trajectory to bring them down on a target with high accuracy.



AT BLAIR HOUSE—Prime Minister Ali Bhutto of Pakistan and Vice-President Rockefeller exchange greetings in Washington before the Pakistani's departure.

Ford-Bhutto Pledge on Ties Ignores U.S. Arms-Ban Issue

WASHINGTON, Feb. 7 (AP)—President Ford and Pakistani Prime Minister Zulfikar Ali Bhutto agreed today to strengthen relations between their countries but there was no mention of U.S. plans to lift an arms embargo imposed on Pakistan and India 10 years ago.

A joint statement, issued as Mr. Bhutto left Washington for New York, said only that the two leaders discussed their mutual security concerns "in the context of the commitment of their governments to the strengthening of regional and world peace."

Earlier, the White House announced that President Ford had taken the question of lifting the arms embargo under active consideration.

A senior State Department official said a decision on the embargo question would be reached in the next two to three weeks.

Wheat Offered

The joint statement issued by the White House reiterated that the U.S. government was pleased to offer 300,000 tons of wheat under the Food for Peace program for immediate delivery in addition to the 100,000 tons already made available during this fiscal year, which ends June 30.

"The President assured Mr. Bhutto that Pakistan's needs would continue to receive priority consideration in determining additional allocations this year and next," the communiqué said.

Mr. Bhutto renewed his invitation to President Ford to visit Pakistan and the President expressed the hope that the visit could be made this year.

There has been speculation that Mr. Ford would visit the People's Republic of China and India this fall. Indian officials expect the President to make the visit in October.

Steps Reviewed

The joint statement said that Mr. Ford and Mr. Bhutto had reviewed the steps taken to normalize relations among the nations of South Asia.

The review related mostly to the resumption of trade and communication links between India and Pakistan and the establishment of diplomatic relations between Pakistan and Bangladesh, the former eastern wing of Pakistan that gained independence in the December, 1971, war between India and Pakistan. Mr. Bhutto expressed Pakistan's determination "to continue to play a constructive role in the

search for peaceful solutions to regional disputes, so as to promote the establishment of durable peace in the subcontinent."

The statement said that "President Ford assured the Prime Minister that support for the independence and territorial integrity of Pakistan remains an enduring principle of American foreign policy."

The omission of a reference to the arms embargo appeared to be an effort to silence an outcry by India over a possible resumption of U.S. arms sales to Pakistan. India has opposed such a move and has claimed that it would risk an arms race on the subcontinent.

However, it appears virtually sure that the United States will accede to Mr. Bhutto's request for defensive weapons—anti-tank and surface-to-air missiles and an early-warning radar network.

Addis Ababa Hears Firing

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which is blocked by army trucks.

A diplomatic source in Addis Ababa assessed the casualty figures at more than 1,000. He said that this included losses of rebels, Amhara civilians, troops and villagers.

200 Bodies Counted

There are no official figures because the government supplies no details on the war. More than 200 bodies have been counted in hospitals.

Although Asmara remained besieged, there has been no heavy fighting in the city since Monday night. But unless water is made available to all areas of the city and food and oil supplies reach Asmara, there is a possibility of cholera and typhoid epidemics.

An airlift has evacuated a number of foreigners, including dependents of all 500 U.S. residents.

About 100 American men remain in Asmara, mostly in the consulate and at the Egyptian Communications Station outside of the city. They reported today that they were in good shape.

Italians Leaving

Ethiopian planes, meanwhile, continued firing most of the estimated 4,000 Italian settlers who asked to be evacuated from Eritrea. The Italians are said to fear reprisals by the Ethiopian Army because most of them are considered to be rebel sympathizers.

Jobless Rate 8.2% in U.S.

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and the deficit increased more—to aid the economy.

Even Republicans with their traditional aversion to deficit spending—the President has already proposed a \$51.9-billion deficit, the highest in peacetime—implied that the budget that he presented to Congress Monday falls short of the stimulus the economy needs.

"It's bad," the Senate minority leader, Hugh Scott of Pennsylvania, said of today's news. "and we've got to do something about it."

Organized labor, meanwhile, urged Congress to act. Jerry Wurf, president of the American Federation of State, County and Municipal Employees, called the President's budget "a frankly recessionary document" and asked "how much Hoover-style economics will the Congress tolerate?"

The unemployment rate is a national average derived from a monthly survey of about 50,000 households selected to make up a cross section of the population. A fourth of the households are changed each month.

Hang Up, Ivan, This Is Your Conscience

MOSCOW, Feb. 7 (UPI)—The Moscow City Council has imposed a four-minute limit on all telephone conversations, the newspaper Vechernyaya Moskva said this week.

The newspaper said that the limit was imposed to counter a trend toward long phone calls, which was overburdening central telephone equipment.

There would be no official policing of the rule, the newspaper said, but the city council was counting on the "consciences of all our citizens" to observe it.



FROM THE SOURCE—A Roman student in Arab garb pumps gas during Carnival.

Arab Banks Press 'Anti-Zionist' Bond Action

(Continued from Page 1)

ular members of syndicates arranging loans for the bank.

However, a little more than a month ago, the pressure was increased. Arab bankers began telling their European colleagues that the Europeans would not be able to help manage an issue if any of the blacklisted banks were included in the 100 to 120 banks normally invited to share in the underwriting of a new issue.

Managers of an international bond issue earn one-half of 1 percent in commissions, underwriters earn one-half of 1 percent and so-called selling-group members earn 1.5 percent in fees. For banks performing all three functions, the total commission comes to a hefty 2.5 percent.

In addition to losing this income, the blacklisted banks also risk losing their private clientele. Banks not participating in the underwriting have no assurance that they will be able to get bonds to sell to their private clients. In the case of the two recent French bonds—both "hot issues," much sought after because they offered high fixed-income coupons when interest rates in general were falling—the blacklisted banks found it hard to obtain enough bonds to satisfy their clients.

"It's one thing for the Arabs to decide which banks they want to do business with," a spokesman for one of the blacklisted firms said, "and quite another for them to dictate to other banks whom they can do business with."

The banks responsible for organizing the various loan syndicates—so-called lead managers—are frank about the exclusion.

One of their most pressing problems since the fourfold increase in oil prices has been to organize methods to return the

revenue that the oil-producing states cannot spend on imported goods and services to the oil-consuming states. The inclusion of an Arab bank in floating a bond issue has helped to achieve this end and often was the only way the issue could be undertaken.

During this period, the blacklisted banks often were among the underwriting group in loans co-managed by Arab banks. However, at the end of last year, the so-called Zionist banks began to notice that they were not being invited into the underwriting groups.

A spokesman for Kredietbank Luxembourg, one of the most active banks organizing international loans, acknowledged that Arab pressure had also been used to keep the blacklisted banks from participating in some recent loans it put together.

Spokesmen for the leading banks in West Germany insist

that they have never experienced any such pressures and have never excluded the five banks.

However, a number of banking sources noted the omission of the banks from the syndicate which organized a deutsche mark loan for AFEL, a French highway agency.

Lead-bank Commerzbank said today that such charges are completely "unfounded" and that neither the borrower nor its French-bank advisers had recommended the inclusion of the banks on the blacklist.

However, a spokesman for one of the blacklisted banks did point to the AFEL issue as the only example of a German bank bowing to the threat of an Arab withdrawal from an issue. According to this source, pressures exerted on other banks in subsequent issues were firmly rebuffed and the Arabs remained in the syndicate.

A London banker familiar with Arab attitudes suggested that the escalation of pressure was triggered by the increasing participation of "less sophisticated" Arab banks from "more radical" countries. An example he cited was the Libyan Arab Foreign Bank.

Earlier this month, lead manager Credit Lyonnais—the big internationalized French bank—told the businessman of a \$25-million loan for Air France, a traditional Lazard client, because of conditions imposed by the intra-investment Co., owned by Kuwait, Qatar and Lebanon.

Previously, Banque de Paris et des Pays-Bas was forced to tell the blacklisted banks the same story under pressure from the Kuwait Investment Co. to explain their exclusion from a \$25-million loan for the state-owned Cie du Rhone.

Despite Ban on Demonstrations

Anti-NATO Rally Held as Ships Visit Lisbon

LISBON, Feb. 7 (UPI)—Thousands of students and workers waving red flags tonight defied a government ban and marched to protest unemployment and NATO.

The rally in the docks area coincided with the arrival of warships from the United States, Canada, France, West Germany, the Netherlands and Britain at the end of a NATO exercise off the coast.

No incidents were reported at the start of the rally. The protesters carried banners with such slogans as "Kick Out NATO—National Independence" and "Down With Capitalism." The posters carried no party identification.

The demonstrators crowded into the square despite government efforts to ban the march and prevent a possible outbreak of violence between the protesters and sailors.

The approximately 5,000 protesters began marching toward the Labor Ministry, heading toward the U.S. Embassy en route. Tanks and troops took up positions outside the embassy, but the crowd passed by peacefully, chanting "Kick out NATO." No incidents were reported.

Despite an intense anti-U.S. campaign in the press, it was the first time that the U.S. Embassy was even a passing target of protest.

British Foreign Secretary James Callaghan ended a 24-hour visit here today with assurances from the government that Portugal wanted to remain a member of NATO.

A scheduled visit here of Soviet Minister for Fisheries Alexander Ishkov has been called off, according to the Ministry of Foreign Affairs.

Mr. Ishkov had been expected here this week from Lima, Peru. The cancellation of the visit followed reports of Soviet overtures to Portugal for port facilities for its Atlantic fishing fleet.

In advance of the arrival of the NATO vessels, officials yesterday banned all demonstrations and rallies from today through Wednesday and televised a national appeal by spokesmen of the major political parties asking the population to treat the sailors courteously.

"The American sailors are not coming here to make politics," Foreign Minister Mario Soares told the television audience. "They should be received as Portuguese sailors would be received in the United States."

The first of the seamen began flocking ashore in the early afternoon. Many were wearing their dress blues.

The Communist party and the Maoists advised their members to stay away from the rally, saying it would provoke violence.

Irish Uncover a Plot to Flea IRA Hunger-Strikers' Jail

DUBLIN, Feb. 7 (UPI)—Prison authorities uncovered an escape plot today at the Portlaoine top-security jail, where nine members of the Irish Republican Army are on a hunger strike, the government said.

Yesterday, five other seriously ill IRA hunger strikers were transferred from Portlaoine to a military hospital.

The government said that a search of cells in Portlaoine uncovered a quantity of explosives hidden in a hole made in a cell wall. Other items found included saws, chisels, knives, gate keys and rope.

"It is quite clear that an attempt to effect an escape was in an advanced state of preparation," a government statement said.

Businessmen Slain, Seized in Argentina

BUENOS AIRES, Feb. 7 (AP)—Terrorists today assassinated a businessman and kidnapped another several blocks away, police sources said.

The dead man was identified as Antonio Muscat, head of a paint company. He was shot with a submachine gun from a passing car.

In the kidnapping, Carlos Alberto Bogey, an appliance company executive, was taken by men who said they were members of the leftist People's Revolutionary Army.

Earlier today, the 250 top men in the ruling Armed Forces Movement held a meeting. Police sources said a decision to reshuffle the Cabinet and the military seven-man coordinating committee was reached at the conference. But the sources said that no action will be taken until after NATO ships have left.

A spokesman for the Armed Forces Movement told newsmen that political decisions were reached but declined to go into detail.

Following a search of their cell prisoners on the ground floor, rioting, throwing furniture onto the cells and causing considerable damage, the statement said. All visits to prisoners at jail and to the prison wing of military hospital were canceled six months ago. IRA prisoners blew a hole in the wall at Portlaoine and escaped.

New Security Measures

The Irish government has increased new security measures aimed at preventing any further IRA activity. The measures were decided yesterday to discuss an IRA threat against the lives of its leaders.

The IRA denied that it planned to assassinate two ministers any of the hunger strikers in their 38th day without food should die.

"It is completely without foundation" an IRA statement said. But a government spokesman confirmed officially that President Liam Cosgrave had been the plot Jan. 29 by two separatist sources.

The five hunger strikers transferred to a hospital yesterday were suffering from "dizziness, numbness, vomiting and sleeplessness," a spokesman for the prisoners said.

Bridge Blown Up

BLISS, Feb. 7 (AP)—Terrorists blew up a railroad bridge today, shutting down the rail line between Belfast and Dublin, authorities reported. Several other bridges and ways in Northern Ireland closed on experts dismantling devices that resembled bombs.

Energy Unit Decides Cuts

(Continued from Page 1)

The average cut in consumption among the European nations was 10 per cent. It was 15 per cent for the United States, 1 per cent for Japan.

A delegation member said the results showed that the United States was concentrating too much on the alternative sources of energy question, not enough on conservation which helped explain some of the other members' doubts about the Kissinger proposals.

Preparatory Talks

VIENNA, Feb. 7 (UPI)—Economic and financial experts major oil-producing nations open a meeting here today to prepare the first conference of the heads of state of Organization of Petroleum Exporting Countries (OPEC).

The Jan. 24-26 meeting of the 13 OPEC nations decided to hold a summit meeting in Algiers between Feb. 10 and March 8.

The summit meeting was to prepare a common front for international economic conference on energy and raw materials proposed by France.

Report by Tass Assails Jackson

MOSCOW, Feb. 7 (AP)—Tass reported today Sen. Henry Jackson's announcement of his presidential candidacy and called the businessman of renegade circles of the military-industrial complex, the right-wing law ship of the AFL-CIO and Zionist organizations.

Rarely does the official news agency report an American political story so promptly. This case the day after the Washington Democrat made his declaration.

The Tass report made it clear that the Kremlin opposes Jackson, an outspoken critic of Soviet-American détente and leader of the drive to force a move to liberalize emigration restrictions in return for U.S. concessions.

Four Bandits in Italy Rob Train of \$155,000

NOVARA, Italy, Feb. 7 (UPI)—Four bandits today held a train collector and other men at gunpoint on a train here and escaped with more than 100 million lire (\$21,000), police said.

The bandits, armed with machine guns, apparently boarded the train at Novara. They forced the ticket collector to take to the train car. They escaped in two cars, getting off at the track, police said.

'Arabs to Give Lebanon Aid In Arms, Cash

CAIRO, Feb. 7 (UPI)—The Arab countries have agreed to give Lebanon aid totaling \$90 million, more than two-thirds of it in arms and military materiel, to help defend its southern region against Israeli attacks, according to Arab diplomatic sources.

They said the Arab Defense Council, which voted the aid at a special meeting here Wednesday, left the door open for additional assistance in the event of further Israeli raids.

The council approved \$82 million in military aid and \$8 million in cash, the sources said. The cash will be used to help finance reconstruction of southern Lebanese areas damaged by Israeli incursions to destroy Palestinian guerrilla positions there, they said.

In Tel Aviv, the Israeli government made no comment on reported Arab plans to give Lebanon arms to defend its border, the Associated Press reported.

"The Israelis have frequently warned Lebanon against accepting troops from other Arab countries, but 'Israel cannot interfere with a neighboring country by telling it what to buy and what not to buy,' said an authorized source in the Israeli Defense Ministry."

The countries extending military aid are Libya, Syria, Egypt, Algeria and Morocco, the sources said, and those contributing cash are Saudi Arabia, Kuwait, Iraq, Qatar, the United Arab Emirates and Egypt.

The council, composed of foreign and defense ministers of the 20 members of the Arab League, was convened at Lebanon's request following a week of daily Israeli attacks last month.

Italy's Jurists End A Two-Day Walkout

ROME, Feb. 7 (UPI)—Judges returned to work today after a 48-hour strike which halted most hearings throughout Italy. Meanwhile, transportation workers walked off their jobs and butchers and farm workers announced plans for strikes.

The National Association of Magistrates said 95 per cent of Italy's 7,000 judges took part in a strike Wednesday and yesterday for pay rises which it said would cost the state 3 billion lire (about \$12.5 million) a year. The government, however, said 100 billion lire (\$155 million) was a better estimate.



ENTERS HOSPITAL—Aristotle Onassis arrives at the American Hospital in suburban Paris for treatment of what his doctors said was a heavy flu. He arrived in Paris Thursday night from Athens with his wife, Jacqueline, and daughter, Christina, and entered the hospital Friday morning.

Ships

Ambassadorial Level Bush Returns to Peking Post, Hints at Upgrading of Ties

By Lou Cannon

WASHINGTON, Feb. 7 (UPI).—President George Bush returned yesterday looking for an eventual upgrading of the U.S. post to full ambassadorial status.

Bush departed after giving hints that the States might be ready to ahead in its long-promised to deepen its relationship with the People's Republic of China.

U.S. leaders have become increasingly critical of what they see as a two-China policy by the United States, which continues to maintain a military presence on Taiwan and diplomatic relations with the Chiang Kai-shek government.

Mr. Kissinger, who conferred with Mr. Bush yesterday before Mr. Bush left for China, reportedly told the U.S. envoy not to discuss the China situation.

As a result, Mr. Bush declined to discuss the China situation during his two weeks in Washington, a policy decision reinforced by a severe intestinal disorder which hospitalized Mr. Bush during part of his home stay and caused him to lose 30 pounds.

The former Republican national chairman is believed, however, to have advocated, in private, further accommodations with the People's Republic of China in the hopes of moving toward full recognition by the Chinese government.

His Life in China
In his interview yesterday, Mr. Bush discussed life in China and his own political plans.

He is an avid and accomplished tennis player and has improved his game during his three months in Peking. He also has taken up table tennis and purchased Double Happiness rackets for himself and his wife, Barbara. Double Happiness is the brand name of China's "high-quality table-tennis racket."

Mr. Bush admitted to being "disappointed" in September when President Ford declined to nominate him for the vice-presidency after the field of prospective nominees had narrowed to himself and Nelson Rockefeller. But he said now that it was "good to get out of the political crossfire" and that he regarded his Chinese post as "a fascinating and valuable assignment."

Mr. Bush presides over a 28-man Foreign Service staff that is augmented by interpreters, cooks and other assistants provided by China's state-run Domestic Service Bureau.

Bush's general statement of willingness to improve his relationship with Peking employs words similar to those used in the week by Secretary of State Henry Kissinger.

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FOUR ON THE FLOOR—J.I. Ostrander of Mount Vernon, Ohio, accepts steers as trade-ins for new cars. This 1,600-pound Hereford brought \$1,040 toward a '75 model.

House Unit Votes Provisional Tax Rebate

By Eileen Shanahan

WASHINGTON, Feb. 7 (NYT).—The House Ways and Means Committee gave all but final approval yesterday to an anti-recession tax-reduction bill that would give almost every taxpayer a rebate of at least \$100 this spring.

The bill, overall, would reduce the taxes of individuals by a total of \$16.4 billion and business by \$3.8 billion, for a total cut of \$20.2 billion.

Of the cut for individuals, \$8 billion would be in the form of a rebate on the taxes due for 1974, to be payable in one lump sum in May of this year.

The \$8-billion reduction would be added to the \$4.4 billion in tax cuts for lower and lower-middle-income individuals that the committee approved on Monday.

The committee voted the rebate plan without knowing exactly how much money many taxpayers would receive under it.

Some Guidelines
What the committee decided was merely that it wanted to hold its overall tax reduction to about \$20 billion and, with that limitation in mind, it gave its staff some guidelines as to how the \$8 billion in rebates was to be distributed among individual taxpayers.

The guideline for the rebate was as follows:
The tax cut would amount to 10 per cent of the taxes due for 1974, except that there would be certain maximums and minimums.

At the minimum, no one would receive a tax rebate that was less than \$100 or the total amount of taxes he owed, whichever was smaller.

A person who owed less than \$100 in taxes would receive a rebate of the full amount he had paid for 1974.

At the other end of the income scale, a ceiling of \$200 was opposed which would, however, apply only to persons with less than \$20,000 in income.

For those above \$20,000, the amount of the rebate would be gradually reduced, according to a formula, until, at \$50,000 of income, the rebate would be limited to \$100.

All taxpayers, even millionaires, would receive at least the \$100 rebate according to the committee's plan.

Staff calculations showing exactly what the \$100 minimum, \$200 maximum rebate would cost the government in lost revenue were not available when the committee adopted the rebate by a vote of 28 to 5.

The committee, therefore, voted

to leave the rebate question open for reconsideration when Congress returns from its regular recess on Feb. 18. By that time, the staff will have done the calculations and determined whether the proposed rebate actually can be done within the confines of the \$8-billion ceiling voted by the committee.

The rebate would be in addition to three other steps taken by the committee earlier to reduce the taxes of individuals:

- Increase the minimum standard deduction from \$1,300 to \$1,600 for single persons and from \$1,300 to \$2,500 for couples filing joint returns.

- Increase the standard deduction from the present 15 per cent of adjusted gross income or \$2,800, whichever is smaller, to 16 per cent, or \$2,500.

- Provide for a cash payment of up to \$200 for persons with \$4,000 or less of income. There would be smaller payments—or reduction of taxes, if any had been paid—for those with incomes between \$4,000 and \$6,000.

This last provision, the cash payment, would mark the first time that the U.S. government had given cash payment, to persons with poverty levels of income through the tax system.

Overall, the individual tax reductions voted by the committee would exceed by \$4.4 billion the \$12 billion in individual tax reductions recommended by the Ford administration for the quick anti-recession tax-reduction bill.

However, the former president's staff will shrink from 12 to 5 persons. Next fiscal year the former President's Act will provide \$86,000 to help Mr. Nixon pay for his staff and other expenses.

His former press secretary, Ronald Ziegler, is leaving for the lecture circuit. Rabbi Baruch

Colson was a partner in the law firm that represented former Vice President Spiro Agnew when Agnew was under investigation on charges that he allegedly accepted kickbacks. Agnew resigned as vice-president in the fall of 1973 and pleaded no contest to income tax evasion.

Asked whether Mr. Nixon had an active role in pressuring Agnew to resign, Colson said that the former president was "very much involved in the negotiations that led to the final agreement by which Vice-President Agnew resigned."

Colson said that Agnew was aware of Mr. Nixon's role but he declined to discuss the former vice-president's reaction.

"It was an unhappy and difficult time for all concerned," Colson said.

A former White House special counsel, Colson pleaded guilty to obstructing justice in the case against Daniel Ellsberg. He admitted disseminating derogatory information about Mr. Ellsberg and his lawyer after Mr. Ellsberg had been indicted on charges stemming from the leak of the Pentagon papers.

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About \$500,000 Spent So Far

Nixon Staff to Shrink as Transition Ends

By Douglas Watson and Leroy F. Aarons

WASHINGTON, Feb. 7 (UPI).—Former President Richard Nixon's standard of living will drop considerably on Sunday. Mr. Nixon will lose a substantial amount of federal funds, staff and office space as well as automobiles that have been available to him during the six-month transition period since his resignation Aug. 9.

Federal officials yesterday could not provide a total of government funds spent so far on Mr. Nixon's behalf since his resignation but it is expected to be well above \$500,000 for his first six months out of office.

The government had reported spending \$367,000 to support Mr. Nixon and his staff during the first three months.

Mr. Nixon will continue to receive his \$60,000-a-year presidential pension and a specially appropriated \$45,000 for staff salaries and office expenses through June 30.

However, the former president's staff will shrink from 12 to 5 persons. Next fiscal year the former President's Act will provide \$86,000 to help Mr. Nixon pay for his staff and other expenses.

His former press secretary, Ronald Ziegler, is leaving for the lecture circuit. Rabbi Baruch

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Korff, Mr. Nixon's friend and fund-raiser, said yesterday that Mr. Nixon "wanted very much to retain Mr. Ziegler but he doesn't have the funds."

With the end of the official transition period at midnight tomorrow, Mr. Nixon's staff also will be reduced through the loss of six other aides who have been detailed to him from government agencies. Chrysler Corp. will take back 12 cars on loan.

The former president also will lose offices provided at the U.S. Coast Guard complex near his home, Casa Pacifica, in San Clemente, Calif., although some space will still be provided by the government. Federal maintenance will stop for the San Clemente residence and the one on Key Biscayne, Fla., that he is trying to sell.

A General Accounting Office spokesman said yesterday that the agency has had two auditors at San Clemente to examine government spending there, as requested by the Senate Appropriations Committee.

Mr. Nixon and his departing aides plan a small farewell party this weekend.

One of those about to leave said: "For all of us who were in the White House and went through the last months, a door is shutting on our lives, both emotionally and professionally. It's wrenching, too, to think that the former president, who has so few friends, will have so few people around him."

Rabbi Korff, interviewed by telephone shortly before he was to visit Mr. Nixon, said the former president's mood "is toward adjustment and that his history will vindicate him." He said Mr. Nixon, recovering from nearly fatal surgery to correct a phlebitis condition, favors his left leg and has fallen occasionally while walking around his property.

Congress last year cut \$550,000 requested for Mr. Nixon's expenses for a \$500,000 appropriation—\$100,000 that can only be spent before Sunday plus \$45,000 for expenses for the rest of this fiscal year and a \$55,000 advance on his pension.

A Senate Appropriations Committee aide said yesterday that on Jan. 24 Mr. Nixon had committed himself to spending \$57,000 of the \$100,000 allotment that expires this weekend.

However, the federal government has acknowledged spending much more on his behalf. Roy Ash, outgoing director of the Office of Management and Budget, has said that, in the three months between Aug. 9 and Nov. 9, \$367,000 in federal funds were expended to support Mr. Nixon.

The documents were submitted by the American Civil Liberties Union to the first of a series of House investigations into federal intelligence gathering.

Robert Kasstetter, D-Wis., chairman of the House Civil Liberties subcommittee, which is conducting the inquiry, said one of its concerns is national security wiretapping and other surveillance that requires no court order.

"It is the warrantless wiretapping and electronic eavesdropping, with all the variations made possible by modern technology, which could form the cornerstone of a future police state," Rep. Kasstetter said.

The documents included confirmation by former Attorney General William Saxbe of a wiretap dating from 1942 that appeared to be related to the U.S. Communist party.

Mr. Saxbe's affidavit also said wiretaps were put on the telephones in 1970 "of an individual who is believed to have a significant connection with a foreign power" and in 1971 on the phone of a group planning "bombings, guerrilla tactics and the disruption of essential government functions."

An affidavit from the FBI's legal files mentions "references in FBI files" to Mr. Lowenstein and to a former congressional candidate, Peter Ellsberg, but gives no indication what the references are.

The affidavit is in response to suits by Mr. Lowenstein and Mr. Ellsberg, who charge that when they ran against former Rep. John Rooney, D-N.Y., in 1972 and 1970 respectively, he used FBI information against them.

Brennan Quits U.S. Cabinet; Labor Job May Go to Dunlop

WASHINGTON, Feb. 7 (AP).—Secretary of Labor Peter Brennan submitted his resignation yesterday and said he plans to return to New York where he expects to resume the leadership of the Building and Construction Trades Council.

A Labor Department spokesman said that Mr. Brennan, in sending his resignation to the White House, asked that it be made effective in mid-March.

Mr. Brennan resigned a day after administration sources disclosed that President Ford would nominate John Dunlop, a Harvard economics professor and former director of the defunct Cost of Living Council, to head the department. The White House has had no comment about the report on Mr. Dunlop.

The President had offered Mr. Brennan, 56, the post of ambassador to Ireland in December, but the secretary had since said that he preferred his old union job. The diplomatic position would have meant a cut in Mr. Brennan's \$60,000-a-year salary as a cabinet officer to \$36,000.

Mr. Brennan was appointed to the Labor Department by former President Richard Nixon following the 1973 elections.

Mr. Nixon had hoped that Mr. Brennan, as head of New York's hard-hat unions, would serve as a symbol of labor support for his administration. But shortly after

taking office, Mr. Brennan ran into difficulties with AFL-CIO President George Meany in defending Mr. Nixon's economic policies and has had no contact since with Mr. Meany.

Mr. Brennan told associates at the Labor Department that, while he had not made a final decision about his future plans, his "heart is with the building trades."

He was elected to a four-year term in 1972 and when he left the New York job it reportedly was with the understanding that he could return.

Mr. Brennan's resignation clears the way for the White House to announce Mr. Dunlop's nomination. Sources said the FBI has already completed the required investigation for a cabinet appointment.

Mr. Dunlop's return to government is expected to give the Labor Department a strong voice in economic policy-making, a role it has not had since George Schultz served as labor secretary during the first Nixon administration.

Mr. Dunlop returned to his duties at Harvard last year when the Cost of Living Council, which administered wage-price controls, went out of operation April 30.

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HIGH SCHOOL JUNIOR AND SENIOR WOMEN.....

MARYMOUNT COLLEGE TARRYTOWN, NEW YORK

ANNOUNCES

Wrong-Way Budget

President Ford's budget for fiscal 1976 is not only economically feeble—by its own account, it would leave unemployment hovering around 8 per cent for three years—but socially irresponsible.

The administration contends that, in this time of intense hardship especially for the poor and the aged, social programs should be cut in order to curb inflation and keep the budget deficit from growing any larger. The administration's stress on its forecast of an 11.3-per-cent inflation rate this year and of a combined budget deficit of \$80 billion or more for the current and next fiscal years appears designed to reinforce the President's warning to Congress that it would only worsen the grim economic outlook if it voted bigger tax cuts and larger spending programs, and failed to give the President the \$17 billion in expenditure cuts he is requesting.

But Congress is showing that it has no intention of being cowed into submission by such alarmist tactics. This week Congress overwhelmingly defeated the President's proposal to raise the price of food stamps and instead froze their price for the rest of this year.

The issue of the administration's social priorities goes far beyond food stamps. With so high a rate of inflation, many social programs have suffered sharp cutbacks, while defense spending is climbing. The President has proposed to increase defense outlays from \$85.3 billion in fiscal 1975 to \$94 billion in fiscal 1976. Proposed defense author-

izations, which affect future spending and which reached \$95 billion for fiscal 1975, are marked for an increase to \$107.7 billion in fiscal 1976. This is needed, says the President, to maintain preparedness and keep up with rising costs.

Similar logic is not applied to social programs, however. Mr. Ford is proposing to hold Social Security benefit increases to 5 per cent instead of the 8.7 per cent cost of living increase that is scheduled to go into effect this summer. He wants to cut the federal contribution to the states for social services—the states' share to rise from 25 per cent to 35 per cent in 1976 and to 50 per cent in 1977. The federal government is in a much better position than most states to finance social services in a time of falling incomes and tax revenues.

Mr. Ford is also proposing cuts in grants to the states for child nutrition, cuts in health research and in health education and training, holdovers and cuts in elementary, secondary and vocational education, trims in manpower programs, larger charges for Medicare patients, and other efforts to pass the burdens of the economy to those least able to afford them.

The President has asked Congress to accept his proposal for a moratorium on all new social programs; but the United States is not too poor to afford such programs. Quite the contrary; with vast unused resources, it is suffering from too much poverty and hardship to do without them.

THE NEW YORK TIMES.

Drama in Portugal

A 20th century drama is unfolding in Portugal. The democratic forces are struggling to keep the Communist party from harvesting the fruits of last April's military coup against the old dictatorship. Though they had to start virtually from scratch last spring, the democratic parties seem to have a substantial edge going into next month's elections for a constituent assembly that will replace the currently ruling Armed Forces Movement and establish a modern political system. The depth of the public's craving to participate in the making of their country's future is suggested by the fact that two of every three Portuguese have registered to vote. The democrats have as well the encouragement of the transatlantic fraternity of European Social Democrats. Belatedly but wisely, the United States made its own gesture of support two months ago by offering a modest economic-aid program.

The Communists, however, have the discipline bred by years of underground activity. They have used their disproportionate weight in the media to restrict their political competitors' access to the electorate. They got sympathizers in the Armed Forces Movement to decree a law requiring workers to join one large union, which they hope to control. Unhindered—disturbingly so—by the authorities, they recently broke up a convention of the conservative Center Democrats; their success raises the question of whether this important party will be permitted to campaign. Through such channels as its embassy in Lisbon, the Soviet Union is providing what help it can.

The Communists' strength is centered in the cities and in the south. Given their expected numerical weakness at the polls, the fear is that in this once-in-a-lifetime situation the party may try to block the elections or to induce some officers in the Armed Forces Movement to ignore the results of the elections. The Communists might do this by precipitating pre-election disorders or by playing on movement fears that the forces of the ancient regime are attempting a parliamentary comeback. Indeed, some officers

have already hinted that they may not feel bound by the elections and that in certain circumstances the nation would be harmed by being returned to civilian rule. The leader of the Socialists, Manuel Soares, has found it necessary to warn of a slide toward "extremist dictatorship." This time it would be a dictatorship of the left.

The West has an immense psychic and political interest in seeing democracy take firm root in Portugal. A Communist takeover would not only dim Western values but would, as Mr. Soares soberly said, tempt civil war, economic blockade and even foreign intervention. A Communist take-over would also presumably remove Portugal and its bases from the Atlantic Alliance and provide the Soviet Union with a forward Western position. The sensitivity of Portugal's strategic position has only been underlined by recent reports (denied in Moscow) of Soviet interest in obtaining Portuguese fishing-port facilities, and by NATO naval maneuvers off the coast. No American viewing the turmoil now stirring in Turkey, Greece, Cyprus and Italy, to say nothing of the uncertainties confronting Spain, can avoid wondering how events in Portugal will affect the overall situation of the West.

The last time a substantial part of the West trembled, after World War II in France and Italy, the United States through the CIA and other means provided crucial support to the democratic forces in their battles against the Communists. This American intervention was highly successful in that it accomplished its immediate purpose of keeping the Communists from power and it set the stage for a long period of economic recovery and political health. We mention this only to indicate how things have changed. For the deterioration of the domestic political consensus on which such effective use of the CIA depends predates repetition of that pattern now. We fervently hope that Portugal's democratic forces can make it on their own.

THE WASHINGTON POST.

Heath Out

In voting against Edward Heath as their party leader, the Conservative members of the House of Commons have ratified the judgment of British voters in two general elections last year. As prime minister, Mr. Heath gravely miscalculated the drift of public opinion when he called an election a year ago on the issue of miners' wages. Since independent voters were unconvinced that the Heath government had the nation's many economic troubles in correct focus, his campaign on the wage inflation issue failed and his party lost its narrow majority in Parliament. A second general election in October widened Tory losses and irreparably impaired Mr. Heath's political position.

He left behind one historic accomplishment—successful negotiation of Britain's entry into the European Economic Community. It will be a tragedy for Britain and its European neighbors if that decision is reversed in the referendum Prime Minister Wilson and the Labor government plan to hold on the issue in June.

The Heath rejection came at the hands of Margaret Thatcher, a former minister of education, who has shown herself an able public servant and a skillful parliamentary

debater. However, the Conservative party, as the Economist observed this week, has "more than its fair share of male chauvinists," and it will represent the upset of the decade in British politics if Mrs. Thatcher attracts the few remaining marginal votes she needs to win next week's runoff for the party leadership.

With Mr. Heath out of contention, her opponent then will be William Whitelaw, who won widespread admiration for his patient and sensitive management of the intractable, emotion-laden problem of Northern Ireland. A moderate and amiable man, Mr. Whitelaw stands near the center of his party's philosophical spectrum while Mrs. Thatcher, a forceful political combatant, draws most of her support from the ideologically committed right wing. Observers are uncertain whether Mrs. Thatcher's remarkably strong first-round showing was principally a vote of confidence in her or a protest vote against Mr. Heath. In any event, next week's vote will decide not only a battle of the sexes but also a contest between contrasting political styles and philosophies.

THE NEW YORK TIMES.

In the International Edition

Seventy-Five Years Ago

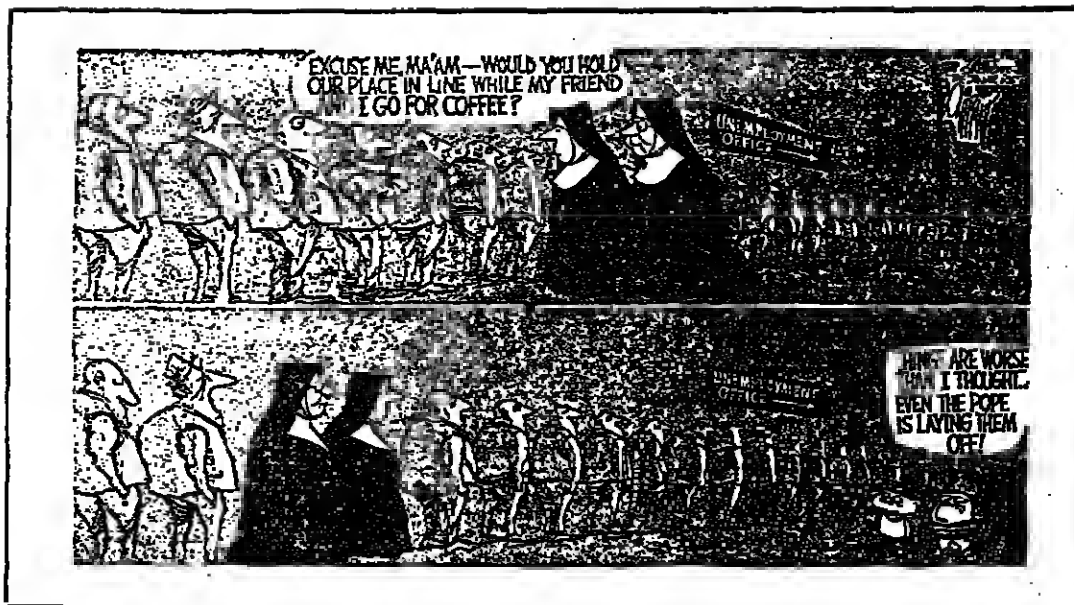
February 8, 1900

NEW YORK—The next war of the United States, if it should unhappily have one, will be a naval conflict, as for example, with England or Germany. The nation must then depend on its navy both for defense and attack. It is therefore to warships and naval strength rather than to isolated coastal fortifications that the country must now look for its ultimate safety.

Fifty Years Ago

February 8, 1925

WASHINGTON—The aircraft uproar increased today when, following Brig. Gen. Mitchell's charges before the Aircraft Investigating Committee of the House that the development of American aircraft and air defense is impossible under the present system and that America is a poor fifth in the world's air race, Secretary of War Weeks defended the nation's air policy.



An Assessment of Scoop

By James Reston

NEW YORK—The trouble with Sen. Scoop Jackson, who has just entered the presidential race, is that his name is misleading. In newspaper terms, "Scoop" means being ahead of events, but Jackson somehow always seems to be more than a little behind. Nobody who knows him well will underestimate him. He is highly intelligent, attractive, industrious, and experienced, but there is a paradox. He has been a potential presidential candidate for many years—almost made it in 1960 as Jack Kennedy's vice-presidential partner. He has been ambitious and bold of mind ever since he came to Washington almost 35 years ago, but he always seems to be making the big decisions of life at the wrong time.

He married for the first time at 40—so well and happily that it almost seems a shame to mention his delay. He spent 12 years in the House of Representatives, working hard and tipping his hat to the elders, and he has now been 23 years in the Senate, almost close to the center of the major questions but never quite bringing his thought to the point of decision.

Very Serious

Now, finally, he has come forward in a carefully casual announcement for the presidency on television, very serious, very contrived, and very persuasive. Nobody can accuse Scoop of rushing forward too soon: He will be 64 by the time the Democrats choose a presidential candidate in the summer of 1976.

Age, however, is not Scoop's major problem. After all, Sen. Edward Kennedy of Massachusetts is the only leading presidential candidate in his 40s. He will be 44 at convention time in 1976, and says he's not available. It might be wise to suspend judgment on this point.

As for the other prominent candidates, President Ford will be 63 in the summer of 1976, Vice-President Rockefeller will be 68; Hubert Humphrey and Ronald Reagan will be 68; Senator Muskie 62, and Gov. Wallace of Alabama, 57. Compared to any of them except Kennedy, Jackson is full of bounce and fight.

The question about him is whether he is still in tune with the public mood. With popular sentiment highly volatile under both economic and foreign pressures, who knows? Much will depend on events between now and August of '76.

Jackson has come to national prominence as a critic of just about everything the Ford administration is doing. He is against Ford's Vietnam aggression, against the Vietnamization of the war, against the use of nuclear weapons. He is against Kissinger's step-by-step diplomacy in the Middle East. He thinks we should be tougher on the Russians and suggests that,

by so doing, we can force them to make more concessions on arms control and the emigration of Soviet Jews to Israel. In the process, he has become the darling of the pro-Israel faction and the protectionist labor union leaders in the United States. He has also become the villain of the big shots in the Kremlin.

Meanwhile, Jackson has been almost nostalgic for old struggles. He has been a New Deal liberal on most domestic issues, and he has been in the Senate long enough now so that he has a prominent platform in the committees from which he can howl against Ford's economic and energy policies, scold big business (except the big airplane companies) and woo the voters who are sore about prices, unemployment, and the inflation in general.

All this is standard politics. It was a fairly good program for the old days of the cold war, and it is not a bad headline-catcher now. At a time when almost everybody is in doubt about everything, Scoop never seems to be in doubt about anything, so he has a lot over the television, facing with Ford and Kissinger even before he announced what everybody knew, that one day he would be presented on TV—as he now has been, as "The man for America's future."

Maybe it will work, for the country is troubled and looking for something new that will bring it together. But this also may be precisely Jackson's problem. For his appeal is not the day of the old battles with the foreign villains and the big business devils at home, and the chances are that this quarrelsome approach will not bring the country or the Democrats together, but split them apart.

Acts Early

Jackson, of course, has announced for the presidency early enough so that he could change. He knows his party well. He was Jack Kennedy's choice as chairman of the Democratic National Committee when they won in 1960, and he learned in George McGovern's campaign of 1972 that dividing the Democratic party was a sure way to elect the Republicans.

So lately he has been concentrating more and more on domestic issues, and tending down the road of the protectionist, foreign policy. He now appears to be wondering whether it is a good idea to follow his old Pentagon line and send over half a billion dollars to Southeast Asia—a modest advance, but for Jackson, quite a change.

Nevertheless, his entrance into the race doesn't really change the predicament of the Democrats. It has been out of power for two terms. It now has a chance to run against the Republicans on Vietnam, Watergate and the recession, and

should win in 1976 with any candidate who could sweep the primaries and hold the rebel factions of the party together.

Détente Threat

But there is little evidence at this point that Jackson or any other Democrat can do it. The qualities that have brought Jackson to prominence—his challenges to Kissinger on the Russians, his cohesiveness with George Meany of the AFL-CIO and the pro-Israel faction—are precisely the qualities that threaten the policy of détente, trouble the Western allies, and divide the Democrats.

The outlook for the Democratic party at this point is for a deeply divided party and convention in 1976, with no one candidate coming near to a majority for nomination. If this happens, unless Jackson or some body else breaks out of the pack in the primaries, the Democratic party elders will probably have to broker it in the back room.

If this happens, the guess here is that they will probably turn to Kennedy in the end. It would be a desperate risk, and Kennedy would be in a private, but the Democrats are in a desperate straits—with everything to win and nobody to win it with—and they might just go with the 44-year-old Kennedy in the pinch against the other candidates, who are in their 60s.

In this space the other day, (Herald, Feb. 1-2), I asked: "Who are the friends of Israel?" Those who urge it to give up territory occupied by aggression or those who urge it to hold on to everything it has? The use of the word "aggression" instead of "force" was a mistake, implying that Israel was responsible for starting the 1967 war, which I did not intend. The Arab blockade of the Gulf of Aqaba and the Strait of Tiran, and the successful of the UN Emergency Force by the Arabs were widely regarded as acts of war which led to the Israeli blitz. Both the UN and the U.S. government avoided the question of who was the aggressor. I am sorry I was not equally careful.

James Reston

When the Farce Comes First

By C. L. Sulzberger

PARIS—Uncle Sam and Henry Kissinger have lost considerable prestige during the Cyprus crisis festering since July. The U.S. Congress, which really isn't supposed to be a diplomatic agency, should have been dispatched in foreign eyes. However, it hasn't had an impressive reputation abroad since the Senate vetoed American participation in the Versailles Treaty more than half a century ago.

Foreigners are not disposed to allocate respective shares of blame to different sectors of a government whose overall workings they don't understand. It is the United States as a whole that has suffered. Kissinger is reviled by the emotional Greek man in the street as a "pro-Turk" even though the level-headed Athens government is as eager as anyone to lance the Cypriot boil.

Now, thanks to a cutoff on American arms aid for Turkey—imposed by Congress—Kissinger's status in foreign eyes. How the Turkish foreign minister has caused a talk with the secretary of state. And, out of pique with the United States, the Turks openly talk about ousting U.S. military installations and limiting if not canceling participation in NATO.

As if to make the Cypriot affair still grimmer, Greece has already withdrawn from NATO's command structure. The Caramanlis government would like to tone down the effects of this move and repair the damage; but popular passions aroused by Cyprus make this politically impossible.

The great danger is this violent argument could permanently wreck NATO's southern flank, open the east Mediterranean to Soviet mastery by showing the United States out of Turkey and Greece, drive the Turks closer to left-wing, anti-American Arab hands like Iraq and Libya, and make more difficult than ever Washington's assurances of effective aid to Israel in another war. Even Portugal's Azores base may soon be no longer available as a U.S. airlift springboard. Cyprus itself—in its frustration—may turn toward Russia for help it feels cannot be obtained in the West. President Makarios already supports a Soviet proposal for an international conference on

the problem. He doesn't rule out the possibility of visiting Moscow himself.

From the viewpoint of all those directly involved—including Greece, Turkey, Britain and the United States—the affair is a gloomy mess. Even France is quickly regretting the Turkish pull out of NATO and counseling the Greeks to remain closely attached to the alliance—despite France's disavowal from the command structure.

The present Cyprus crisis began last summer with an idiotic attempt by the colonels (then still ruling Greece) to assassinate Makarios and seize control of the island. When the plot failed and the archbishop escaped, it appeared that this was just a little cloud emerging out of the placid Mediterranean, no larger than a man's hand.

However, the Turks, who had been complaining justifiably for years that their ethnic minority on the island was being unfairly treated by the "Greek" Cypriot majority, landed troops and defeated the Cypriot National Guard and slight stiffening of regulars previously sent by Athens. Ankara subsequently landed a second force and seized a large chunk of Cyprus.

Washington, which had been involved in Cypriot affairs for years (Lyndon Johnson even warned the Turks in 1964 that he would order the Sixth Fleet to block any landing attempts),

underestimated and mishandled the matter. The State Department sent out touring special emissaries who didn't judge the situation accurately and gave insufficient credence to threats.

By the time Kissinger got directly into the act it was too late. Successive opportunities went by when there appeared to be a possible formula for solution (including Turkish concessions) had there only been adequate U.S. understanding and drive.

Fearing a Terror
Meanwhile, the majority of the little island's population suffered in misery, fearing a terror that frequently came. One emotion led to another and the American ambassador was shot last August. What can be done now is hard to imagine. The State Department has ignored one after another original idea to ease tension. U.S. credibility has been damaged—abroad all in the east Mediterranean, which is so vital to Kissinger's Middle East peace efforts, and the United States has shown no indication that it knows what it is doing.

Congress has made President Ford's already difficult job plainly impossible by killing America's wily ally toward highly resentful Greece. Usually, when history repeats itself (as in Cyprus), the first time is tragedy, the second time farce. In Cyprus the repetition came the other way around.

Spain-II

Is an Eruption Coming?

By James Goldborough

MADRID—Last month, ABC, the pro-monarchy daily, ran an article titled simply: "Life in Spain." The writer noted the principal headlines in Madrid newspapers the previous day. Some of them:

"Firestone Closed—3,200 Workers Forcefully Ejected From the Factory." "More Than 600 Persons Sign to Protest at Jail of Don Juan Pardo" (of the newly formed Junta Democrática). "237 Outspoken Youth Refuse to Be Inducted." "35 Lawyers Ejected From Valencia College." "5 Navarrese Priests Arrested." "The Cardinal of Seville Visits St. Peter's." "Military Trial for Four Soldiers." "Prisoners of Lerida Go On Hunger Strike." "In Gijón, Workers Voluntarily Accept Jail." "Wine Growers Continue Their Strike in Samir." "Strike in the Housing Ministry at Madrid."

As 36 years of Franco's rule come to an end, a sense of change is sweeping across Spain. Much of what ABC called "Life in Spain" is still being contained today, but many fear an eruption when Franco finally leaves power.

Scenarios

Several scenarios are given here for the post-Franco period:

One, which reformists in the regime support, has Prince Juan Carlos de Borbon taking control and, with full backing of the institutions, the prince gradually loosens the grip of the dictatorship.

Another scenario is that Franco's death will bring the opposition out in force, and groups such as the Junta Democrática and Conferencia Democrática will show enough strength so that the institutions, guided by the new king, must negotiate.

A third scenario is the apocalyptic one—street demonstrations, revolt, upheaval. No important group supports this idea. Other scenarios can be imagined, such as even tighter control under a monarchy or seizure of power by the army, but these are generally ruled out.

Ignacio Camunas, 34, a dynamic political activist and publisher of the magazine *Generación*—which despite its name is Spanish and political—heads a "club" called the Independent Democratic party. He believes in the second scenario.

In this space the other day, (Herald, Feb. 1-2), I asked: "Who are the friends of Israel?" Those who urge it to give up territory occupied by aggression or those who urge it to hold on to everything it has? The use of the word "aggression" instead of "force" was a mistake, implying that Israel was responsible for starting the 1967 war, which I did not intend. The Arab blockade of the Gulf of Aqaba and the Strait of Tiran, and the successful of the UN Emergency Force by the Arabs were widely regarded as acts of war which led to the Israeli blitz. Both the UN and the U.S. government avoided the question of who was the aggressor. I am sorry I was not equally careful.

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Spain-II

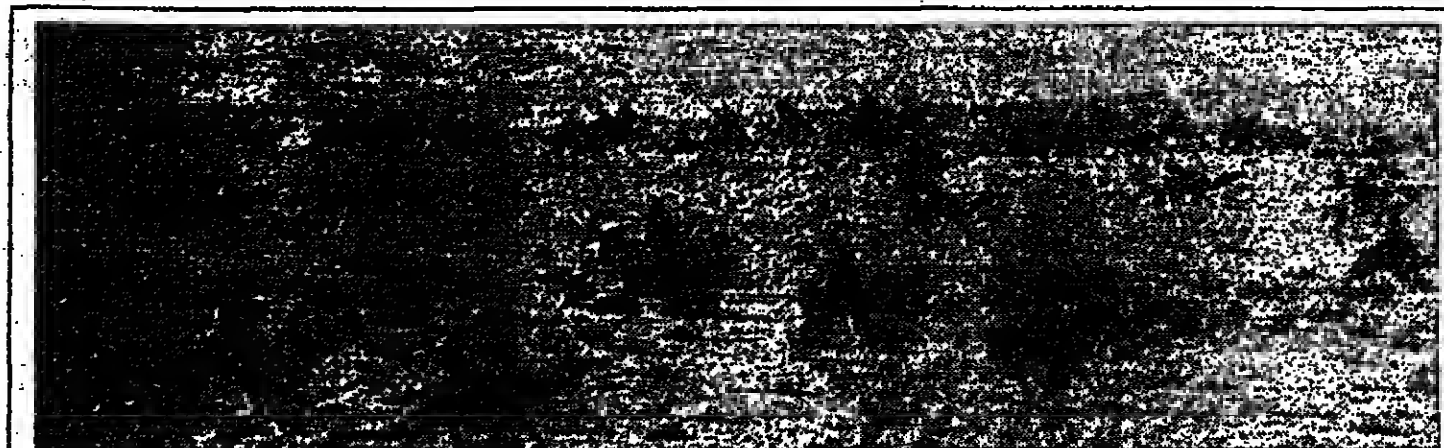
Crime Knows No Frontiers

1 Mideast

ab, Israeli Criminals

Business First

By William J. Drummond
TEL AVIV, Feb. 7.—A veteran criminal lawyer, Haim Caza, said at the police charge sheet his desk.
Five Jews and Arabs are charged together with taking huge quantities of hashish from Jordan through Israel to be sent abroad, lawyer said. "And we are poised to be at war with Jordan," he said.
In the case of the accused smuggler, Mr. Caza said, proved against Israel's underworld is an all-opportunity employer.
"vast traffic in illegal drugs, prostitution and counterfeit goods have been because Jewish and Arab criminals, unlike political Jews, are able to put aside enmities and work hand in hand."
The relationship between Jews and Arabs in the underworld is "best," said Manuchem Amir, a criminologist at the Hebrew University of Jerusalem. Mr. Amir's



BIG FIELD, DRY TRACK—The annual al-Jouf, Saudi Arabia, camel race drew 598 entrants this year. The dusty derby was run over 15 kilometers and was won in the record time of 35 minutes.

assessment was confirmed by police officials and trial lawyers. Charges of Jewish youths have been stripping automobiles and selling the stolen goods to Arab garages. Thousands of dollars in goods are stolen from the main ports of Israel, and much of it finds a market in Israeli-occupied land in Gaza and the West Bank, police officials say.
From Lebanon, which Israeli authorities say is the world's

largest producer of hashish, drugs are smuggled into Israel, frequently passing in the night from an Arab's fishing boat on the Sea of Galilee to a Jew's fishing boat.
"The drug traffic knows no boundaries," said Yehoshua Carthy, head of the Investigations Division of the Israeli National Police. There also is Arab-Jewish cooperation on stolen goods, Mr. Carthy said.

"The cooperation is due to the peculiar circumstances of our times," the police official said. "Most of the thefts take place in the Jewish sector. There we have the factories, the plants, the big stores. However, it is difficult for them to dispose of stolen goods on the Jewish side because of closer police supervision. The risks are much greater."
"Therefore, these items are re-

sold to Arabs in the occupied territories."
The "relationship" also extends to prostitution. In Tel Aviv, trucks bearing Arabs from the occupied territories regularly visit the streets where Jewish prostitutes work. "Arabs stand in line, they pay, they go, no problems," Mr. Amir said. "Jewish girls like the Arabs. They are good clients. They are quiet."
© Los Angeles Times

4 Giant Turtles Fail to Survive French Rescue

BAYONNE, France, Feb. 7 (Reuters).—Four giant sea turtles, rescued last week from becoming gourmet dishes, died before they could be returned to the Indian Ocean, environmental officials said here this week.

The turtles, a disappearing species, were among at least a dozen that were shipped to Paris illegally from Djibouti on the Red Sea last month.

Officials of the World Wildlife Fund managed to save four before they were killed. But two died on their way to this southwestern town and the other two also died, despite their being put into heated sea-water to resemble their normal environment.

The Wildlife Fund has lodged a complaint with French authorities on the shipment of the turtles.

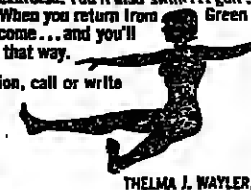
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Comecon Talks Are Said to Disappoint EEC

MOSCOW, Feb. 7 (AP)—The first formal meeting between delegations of Europe's main trading blocs—the European Economic Community and Comecon—ended in disappointment for the Common Market representatives, conference sources said today.

Other than deciding to meet again, but without fixing a date, little was accomplished in 3 1/2 days of meetings which ended yesterday, the sources said.

The EEC delegation was headed by Edmund Wellenstein, Dutch director general of the European Commission's Foreign Affairs Department. The East-bloc team

was led by Vyacheslav Molotov, head of Comecon's trade department.

One purpose of the meeting was to prepare the way for an official visit to Moscow by François-Xavier Ortoli, president of the European Commission.

After the Communist trading group made its first contact with the Common Market in late 1973, Mr. Ortoli was invited to Moscow. Mr. Ortoli accepted but suggested that a preliminary meeting be held to prepare his visit.

Sources said the meeting this week ran into procedural snags, with Comecon officials wanting to discuss only the physical details of Mr. Ortoli's visit, such as time to be spent in talks.

Mr. Wellenstein's mission was to prepare the groundwork for specific progress on establishing fruitful relations between the Common Market and Comecon. A conference source said that the Common Market group wanted to

avoid an Ortoli visit in which "nothing" was accomplished.

The intent of the visiting delegation was to draw up a list of items "which could be identified as lending themselves to useful cooperation" with Comecon.

These were to include such subjects as standardization of trading practices, pollution control and energy questions.

Despite 27 hours of discussion—translations took up half the time—the two approaches could not be resolved, the sources said. One session ran until 5 a.m. Six hours of effort to draw up a press communiqué produced nothing.

The EEC delegation was able to familiarize itself with some operating practices of Comecon and documents were exchanged.

Mr. Wellenstein suggested that the next meeting be held in Brussels but there was no immediate response by Comecon.

The major issue to be resolved between the two blocs is finding a replacement for bilateral agreements between EEC and Comecon countries. The existing agreements ended when the Common Market's common commercial policy took effect Jan. 1.

W. Germany Convicts Refugee as Soviet Spy

FRANKFURT, Feb. 7 (UPI)—A state court today convicted East German refugee Rudolf Gerlach of spying for the Soviet Union and sentenced him to a suspended eight-month prison term.

The court found Gerlach, 53, guilty of delivering intelligence on U.S. military installations from 1970 until his arrest in June.



A view of Sandringham House in Norfolk before major demolition.

Queen Elizabeth Halts £250,000 House Modernization

By Jules Arbore

LONDON, Feb. 7 (NYT)—Buckingham Palace announced yesterday that because of inflation, Queen Elizabeth II has abandoned a £250,000 (about \$600,000) project to modernize Sandringham House, the mansion on her privately owned estate in Norfolk.

A palace spokesman said the decision to drop the project, which began almost a year ago, was made "because of the general economic situation and the costs involved." He added:

"The Queen feels that it would be inappropriate to go

ahead with the work at a time when many people are facing economic difficulties."

The decision to abandon work on the mansion, about 100 miles northwest of London, was made after 91 of the 355 rooms, including kitchens, in the Jacobean-style house had been torn down. The house is now uninhabitable.

Sandringham House has been the Christmas and New Year's abode for the royal family for decades.

The mansion, along with the 20,000-acre estate, was purchased in 1881 for the Prince of Wales, who became King Edward VII. The rural seclusion

and excellence of the shooting have been the major attractions of Sandringham to sovereigns.

The Queen's husband, the Duke of Edinburgh, has just completed a month of pheasant shooting on the estate, one of two privately owned by the Queen. The other is Balmoral Castle in Aberdeenshire, Scotland.

The Queen's other official residences, Buckingham Palace and Windsor Castle, are owned by the state, and the government pays for their upkeep. The cost of the reconstruction of Sandringham House was to be met entirely from the Queen's private fortune.

Since work began on Sandringham House, the royal family, during its visits to the estate has been staying at Wood Farm, a six-bedroom house recently modernized.

Last year, more than 100,000 people visited the estate's 75 acres of garden and grounds open to the public. Admission proceeds went to charity.

The palace spokesman said Sandringham House would now be made "weatherproof" and that the Queen would decide whether it might be practicable to adapt it to the needs of the family may stay there in the future easily and economically. He said it was hoped it would be open to the public next year.

Fears Ended Of Break in Cyprus Talks

Greeks Reportedly To Back Regionalism

NICOSIA, Feb. 7 (AP)—Peace talks between Greek and Turkish Cypriots continued normally here today and a joint announcement said there would be another meeting, as planned, on Monday.

The announcement dispelled fears the talks might be discontinued by Turkey following suspension of American military aid to Turkey.

Two days ago Turkish-Cypriot leader Rauf Denktaş threatened to end the talks.

Highly placed Greek-Cypriot sources revealed that the proposals to be submitted Monday by Glafkos Clerides, the Greek-Cypriot negotiator, envisage the establishment of a multiregional federal state. There would be between six and a dozen cantons, each with a Greek or Turkish-Cypriot majority. Linked under a strong central government but with extensive regional administrative powers.

A similar proposal by Turkey was rejected by the Greeks at the Geneva conference in August following the first phase of the Turkish invasion.

Turkey and the Turkish Cypriots say that the only acceptable settlement is a binational federation consisting of a Greek and Turkish-Cypriot region, each self-governing and linked at the top only through a weak central government.

The Greeks reject the binational idea, maintaining that it amounts to partition of the island.

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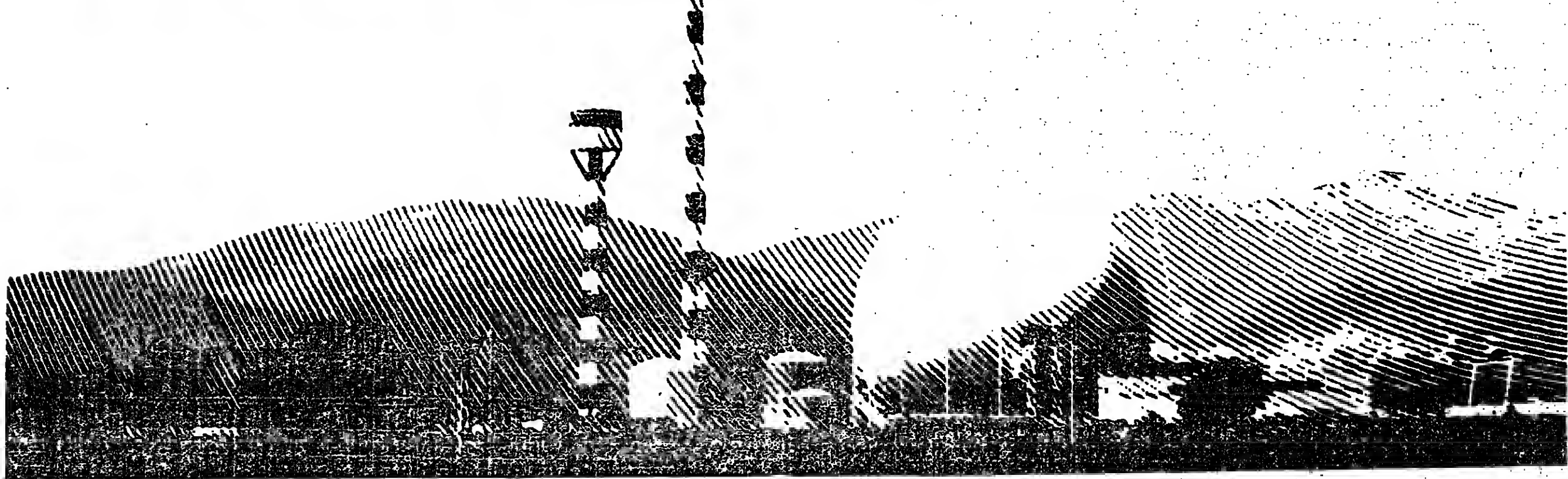
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ENEL

NATIONAL ELECTRIC ENERGY AGENCY-ITALY



NUCLEAR POWER STATION

The National Corporation for Electric Energy, established in February, 1963, is approaching its twelfth anniversary. It therefore seems appropriate, in view of the current state of affairs, to evaluate the activities undertaken until now by Enel, and to take into consideration future problems: facts already documented in the annual reports of Enel's administration, in open hearings of parliamentary commissions, in two series of regional conferences, in numerous press conferences and interviews, and in national and international meetings.

Formation of Enel

With the establishment of Enel, 1,200 electric plants, of various sizes and organizations, were united into a single entity: an operation of incomparable complexity, considering the dimensions of the task and the time required.

Analogous operations, undertaken in France and Great Britain immediately after the war, took place in much simpler conditions, because of the much smaller "systems" to be nationalized, and because of the noteworthy economic-financial concessions to the respective electric corporations. In France, the debts of the nationalized plants amounted to 33 billion old francs (approximately 150 billion lire) and in Great Britain, to 347 million pounds (approximately 400 billion lire) against 2,300 billion lire taken on by Enel between capital and interest. Even considering the different eras in which the three nationalizations took place, it cannot be denied that the task of the Italian corporation was much more difficult than that of the analogous French and British corporations.

Financial Problems

The first article of the nationalization law established that the initial funds of Enel be comprised of the nationalized assets. This was probably an exceptional case in the history of large public corporations, that the electric corporation was not given any real capital; and when, ten years after, it was given an annual modest figure of 50 billion lire per year for five years (from 1973 to 1977). In reference to this, it is noted that from 1963 to 1973, Enel had to cover financial expenditures of 8,400 billion lire. Investments in new plants (5,172 billion lire, equal to 15 per cent of all the investments effected in this period by all nationalized industries) for debts, already almost completely paid, for the payment of expired debts, etc.—while electric prices were blocked at the level of 1969 and maintenance had progressively increased, reducing the margin of self-financing. To confront these demands Enel was forced to borrow money in Italy and abroad, with the assistance of the Banca d'Italia, under the conditions imposed by the availability and price of money in the competitive market.

The situation of the French and British corporations was very different. They had state loans with facilitated taxes, and were helped by price increases based on the necessities of budget and auto-financing. In particular, the British government, with the Finance Act of 1956, assumed direct responsibility for long-term financing of the nationalized electric industry, while in France, the electric corporation had an annual fund, which at the end of 1973 had reached the considerable figure of 17.2 billion francs (more than 2,400 billion lire).

Economic Problems—Increase of Industrial Productivity

The economic conditions of every industry are obviously connected to profits and costs. The profits of Enel, until a few months ago, were contained by the blocking of prices for almost fifteen years: a fact perhaps unique in all the world.

In reference to this, it must be

remembered that electric prices are under the supervision of "Comitato Interministeriale per la Programmazione Economica" (CIPE), concerning general directives, and the "Comitato Interministeriale del Prezzo" (CIP) for concrete actualization of such directives: only last August they approved a generalized increase in the price of electric energy. The cost of materials of machines, personnel of fuel the cost of money itself, have, as has been noted, undergone in these years an incessant and relative increase.

In view of the situation, Enel has exerted the maximum effort to bring about the "step economy" made possible by the size and organization of the corporation. It has also made every effort to organize, technically and economically, all of its activities, in order to increase productivity and reduce operating costs, while maintaining a high standard of safety. In the following steps have been taken: coordination on a national scale of the production and transmission of energy on a primary network; the progressive automation of production and transformation plants; the adoption of high-power thermal electric groups on a unified basis—that has enabled lower plant costs and a reduced consumption of fuel.

Since fuel costs can obviously not be diminished, Enel has instead sought through every means possible to reduce the relative consumption of the production sector, by means of a constant increase in plant yield: in this way, Enel has been able to save 10 per cent in fuel consumption, which in 1974 represented a saving of 70 billion lire. It should also be taken into consideration the realization of a primary network for the transmission of high-tension energy (380 kV) and the enlarged transmission capacity with the consequent savings in regard to the reduction of energy loss; the systematic adoption of automation in operating procedures, in research, in programming, and in project research; the standardization of materials and equipment, of power lines, and of transformation plants; the restructuring of warehouses and improvement in the management of stock materials. These and other initiatives have allowed Enel to maintain a very low worker-production ratio: so much so that the energy produced for every dependent has passed, between 1961 and 1973, from 1.2 million to 1.3 million kWh (approximately) for every dependent. These measures, however, were not able to balance the unstable financial and economic position of the corporation, which was frequently noted by the Appeals Court.

An electric corporation which is burdened with heavy financial obligations should be able to provide for new construction with internal resources: in fact Enel, in its first years, was able to finance 50 and even to 60 per cent of investments in new plants. In 1964 this figure was 64 per cent, in 1965 approximately 60 per cent, but gradually these figures diminished with the increase of the cost of machinery, materials, labor and money itself; while due to the blocking of prices, profits increased only in relation to the greater quantity of energy produced.

Moreover, Enel was obligated to make payments which were necessitated by law and government directives which were above all of a social nature—or based upon the standards of financing foreseen by the law of nationalization for the organization of the corporation. In this way, in 1973 self-financing diminished to little more than 8 per cent, to practically disappear in 1974.

If annual figures were quoted for losses in proportion to the physical duration and financial value of the plants, losses accumulated from 1963 to 1973 would reach 390 billion lire.

Hydroelectric Plants

From the first annual plant development plans, Enel has aspired to utilize—despite continuing increasing costs—the hy-

dro-electric resources of the country. At the same time, it has also dedicated itself to the most complete utilization of hydro-electric sources, even those already tapped, providing for the construction of new plants with energy pumps, the remodeling of old plants in order to adapt them for the essential services of integration, supply, and reserve. Despite the increased difficulty entailed in establishing new thermoelectric centers, and the financial problems that have, until now, impeded the acceleration of this construction of nuclear plants, Enel has intensified, as far as possible, the construction of high powered pumping plants, given the fact that the unit cost of these plants is still inferior to the unit cost of traditional thermoelectric plants.

The scope of these works executed and programmed by Enel is without comparison in other countries of the European Community. In recent years, new hydro-electric plants, and old plants with remodeled pumping systems capable of carrying approximately 2.5 million kWh, have entered into service, while other plants with a potential of 4.5 million kWh are in stages of advanced construction or are projected to be completed by 1980. Considering the grave financial difficulties involved in meeting the demand for electric power, it must be remembered that the power supplied by these plants is the million kWh by 1980—roughly equivalent to that of nuclear plants with a savings of 1,000 billion lire, referring to the actual costs of nuclear power.

This programmed approach, which puts Enel and the hydro-mechanical industry in Italy in one of the most advanced positions in the world, by virtue of their profitably innovative cooperation—is being followed with increased interest by other countries, including the most highly industrialized.

Geo-thermal Energy

The current energy crisis has increased interest in geo-thermal energy, which is an economic, domestic, and non-polluting source of electrical energy. Enel, from the very beginning of its activity, has absorbed a vast research program in this field, in strict collaboration with the "Consiglio Nazionale delle Ricerche".

It must be remembered that, in the past, several electrical industries, in the world, had conducted research outside the famous area of Lardarello, only to abandon it in the conviction that the geo-thermal field of Lardarello was the result of a combination of circumstances difficult to reproduce: an unfavorable opinion therefore arose on the extension of these experiments in other typically volcanic zones, despite the positive results which had been obtained in Lardarello, in the zone of Lardarello.

Since these conclusions meant renouncing new possibilities for utilizing this source of energy, the CNR and Enel were obliged to undertake an extensive research program to enlarge the possibilities of discovering endogenous vapors outside the geo-thermal basin of Lardarello.

It was also necessary to insure the maximum benefits of research in relation to its costs, while using the best means available to insure the continuation of the research. The preliminary research was therefore concentrated in the Appennine zone, which extends from Tuscany to Campania and which includes the zones of Trivale-Radiocollone, Roccastrada, Radicondoli, Monti Volsini, Monti Vici-Cimino, Monti Sabatini, Colli Albani, Roccamare, and Naples. This program, 80 per cent of which is already realized, has permitted the selection of areas suitable for deep drilling; in some of these areas, industrially interesting results have already been obtained, resulting in the realization of a new capacity of production of approximately 20 million kWh annually. In addition to the discovery of various steam deposits that are seen as very encouraging signs.

Meanwhile, Enel has continued research and cultivation of pre-existing fields of steam deposits and has improved the technology

and potential of these plants: which compensates for the natural decline of the electrical energy output of Lardarello, which, lacking this assistance, today would yield less than approximately 700 million kWh annually.

Enel's geo-thermal research program has not been limited to the above-mentioned areas: it has also included research to the areas of Vulturno, southwest Sicily, southern Sicily, central-southern Sardinia, northern Sardinia and the smaller islands, the research for which is still in the initial stages, but which will be progressively expanded in future years.

Interest in the Italian geo-thermal research has surpassed the confines of our own country: various international conventions on geo-thermal energy have used Enel's research as a basic orientation. In 1972, it was sufficient to point out the convention sponsored by the United Nations and organized by the Italian government with the technical and financial assistance of CNR and Enel, held in Pisa in 1970. For this our advanced position in the field has, through its technical and financial advice abroad (the zones, the Canary Islands, Chile, Colombia, El Salvador, Formosa, Guatemala, Mexico, Turkey, etc.), contributed to the progress of geo-thermal research in various countries. Such activities are generally understood with consulting companies, and in cooperation with Italian industries, which, in the construction of geo-thermal plants, have acquired an experience and efficiency which ranks them among the leaders in this field internationally.

The current state of energy crisis therefore finds Enel involved in an increased acceleration of geo-thermal research, also in the much more difficult field of exploration, directed towards analyzing the possibility of drawing electrical energy from the hot, dry rocks beneath the earth's crust.

Thermo-electric Plants

The problem of the localization of thermo-electric plants—as that of nuclear plants—has been confronted with the primary objective of guaranteeing the safety of the population and protecting the environment. In this sector, Enel has developed, primarily, a detailed analysis of the Italian east, not only with regard to the physical location of the plants, but also to a socio-economic profile, rather than data in collaboration with local, regional, and central authorities for the selection of the location of new plants. These collections of data have been available for several years, and are steadily renewed. The results of implementation have been discussed on numerous occasions; a collection of this data has been published in "Atlante delle Caratteristiche Territoriali Primarie delle Cose Italiane".

Enel's commitment, however, has not prevented the arrival of opposition to new locations, above all on the part of local administrations, who are fearful of pollution of the atmosphere. In regard to this, it must be emphasized that Enel has not only contained the level of pollution within reasonable limits, and therefore largely inferior to those required by law, but has always been willing to submit to any control by local authorities, using the most highly developed equipment to guard against the dangers of pollution. On the other hand, Enel has always and resolutely opposed the risk to the nation caused by intrastate opposition to the construction of new plants: that of the impermissibility of guaranteeing the supply of electrical energy.

It was thus stated in the records of the "Consiglio di Amministrazione" of the Corporation of 1967:

"While we are doing our utmost, and will continue to do so, not only to assure the best service possible, but also to combat pollution of the atmosphere with the most modern systems, at our own cost, we cannot but regret the many difficulties we meet in obtaining from the various authorities permission to construct new plants and power lines; on occasion we are even forced—for such reasons—to suspend operations. We find it necessary to repeat again, even in this situa-

tion, the grave risk, if such inconveniences should recur, to find ourselves unable to guarantee the ever-increasing demand for electrical energy which would result in grave consequences for the economic and social development of the country."

Despite an intense campaign to inform public opinion, intended to clarify, in all possible locations and occasions, particular problems, and despite the interest of CIPE and various ministers of industry, the opposition has not abated. This has caused, in various plants, notable delays, most of which proved a valuable loss of time in respect to the scheduled programs. Since new construction has not kept pace with rising demand, the margin of power reserves has been progressively reduced—an important factor in the continuity of services—hence the necessity, even if不得已, to resort to limitation of distribution.

As a result of the worsening situation, in the summer of 1973 the government passed an ordinance-law, subsequently made into law (December 18, 1973, No. 820) to regulate the authorization regarding the localities of plants for the production and transmission of electrical energy. This law, asking the regions to participate in the choice of the sites, was intended to facilitate the construction of centers already projected, and in particular, to specifically mentioned nine plants that, in view of the left-lure, had to be urgently constructed.

At the distance of one year from the promulgation of this law, unfortunately, the opposition still exists, although the law has served to appraise the interested parties by lowering the acceptable limits of pollution to levels inferior to those of other countries. It has also rendered obligatory a network of chemical and meteorological observation, already voluntarily established by Enel.

The country progresses; Enel's users, who numbered 15 million in 1963, have increased to 26 million in 1973, but even such an increase has not solved the existing problems.

To confront the emergency, Enel has programmed the construction of 5 turbo-gas plants in central and southern Italy. Such plants, even though requiring a more expensive fuel source (gas oil), can be completed more quickly than thermo-electric plants: in fact, the time required for construction is obtained. Despite this, for 4 of the 5 planned plants, objection to their authorization have been so numerous that the construction of these plants is even this emergency project.

Nuclear Energy

Considering the evolution of the means of production, the problems and the experiences of the past and those projected for the future, research in this field offers much hope for a successful solution to the energy crisis.

It must above all be remembered that the European countries that have cultivated themselves to the utilization of nuclear energy, and have found means to obtain the copious funds necessary for such a project, have first developed their research and experimentation. Only after this have they moved on to the production of types of reactors suitable on a national scale, using natural uranium and artificially produced plutonium. This was the procedure followed by Great Britain and France in the production of their so-called "graphite-gas" reactors.

The costs and various experiences in the construction and operation of different plants have successively caused a re-examination of the initial plans of such countries. In France, graphite-gas reactors have not been ordered since 1965, and it was only in 1970 that another type of reactor, run on "light water" and enriched with plutonium, was adopted. Great Britain, in 1965, passed on to an advanced version of the graphite-gas reactor, abandoning the use of natural uranium in view of the economic advantages. Great Britain has not constructed new nuclear plants since 1965; other nuclear units, of a combined generating power of between 14 and 20 million kW, will be necessary. According to the projections, by 1970 throughout Italy nuclear plants generating 5.5 million kW should be operating, by 1985 a total of 20-25 million kW.

In this same period Enel received important information from operational experience—after their actual construction—from the 3 nuclear centers inherited in the last phases of realization from the electrical industry. Latina has a graphite-gas reactor of the English type, Gorgiano has a "light water" reactor, and Trino Vercellese is equipped with a pressurized "light water" reactor. These three centers have a combined power capacity of about 700 thousand kW. One of the most noteworthy discoveries in this field was that of the "recycling of plutonium." Enel was the first to carry out this process, which, in the strategy for provisioning the nuclear energy sources, serves to reduce the requirements of nuclear fuel and also prepare the way for self-sufficient reactors of the future.

Such affirmations have been confirmed by the European Community as it has advanced concrete propositions for programs in this field. It should also be noted that the report of Enel, largely oriented towards exclusively in favor of "light water" reactors, while in Canada four nuclear centers using "natural uranium" and "heavy water", each with a power capacity of 500 thousand kW, were constructed between 1971 and 1973 and have provided excellent operational results.

We do not consider other types of nuclear reactors abandoned in the initial phases of construction, such as reactors utilizing graphite-gas, considered by the European Community in the ORCEC project and in Italy with the project PEO.

These facts taken together give an idea of the substantial evolution that has taken place in the field of nuclear energy in the last decade. In addition, the power of the generation units has more than quadrupled (increases by one, further the number of nuclear sites that would be necessary to generate the same amount of electrical energy).

This evolution has obviously involved a substantial expense, which has been beyond the means of many countries, including France. It is sufficient to note that the British program of graphite-gas reactors involved in the experimental phase alone an expense of approximately 200 billion lire.

However, the great effort of the British government, as part of the program for the development of nuclear energy, when even as a basic choice: a choice that has resulted in a vast program of research and development, leading to the utilization of these primary sources of energy which will eventually replace the use of fossil fuels as a source of electric energy. And hence bring about a substantial lessening of the balance of payments of poor countries for primary energy materials.

Given this situation, Enel's program of new nuclear plants foresees the completion, by the end of 1975, of a first unit at Caorso, which will have a generating capacity of 850 thousand kW, after the construction of a second unit, pending the necessary authorization within a relatively brief period of time) of a new center with a combined generating capacity of 1 million kW, already approved by CIPE and ordered between the end of 1973 and the first half of 1974.

It is the intention of Enel to construct only nuclear plants to satisfy the new demand for energy in the programs that will succeed these currently being begun and carried out.

The thermo-electric program will be limited to the completion of previously planned centers, also in relation to a re-examination of the need of saving the needs of particular parts of the country. This means that, in the period from 1975-1979, Enel will have to order from 16 nuclear units, with a combined generating power of between 14 and 20 million kW, to keep pace with the demand for electric energy: in the succeeding 5-year period, from 1980-1984, other nuclear units, of a combined generating power of between 27 and 20 million kW, will be necessary. According to the projections, by 1970 throughout Italy nuclear plants generating 5.5 million kW should be operating, by 1985 a total of 20-25 million kW.

By 1990 a total of 47-52 million kW. In accordance with the objectives of the national energy policy, nuclear energy will in this way supply a rapidly growing part of Enel's electrical energy production—15-18 per cent in 1980, approximately 50 per cent in 1985, and more than 80 per cent in 1990—as a consequence drastically reducing the need for fuel oil for the production of electrical energy, and therefore providing an enormous advantage in our balance of payments. In 1985 nuclear production should in fact constitute an annual consumption of 35-40 million tons of fuel oil, and in 1990 an annual consumption of 30-40 million tons, resulting in a reduction of the current price of oil, which will represent thousands of billions of lire annually.

There is no doubt as to the economic convenience of electro-nuclear production, which has further increased since the extreme rise in petroleum prices. However, the investment necessary for a nuclear plant is double that for a thermo-electric plant of equal power (while maintenance costs are much lower), and this greater expense, apart from the necessity of a greater reserve of power—which further increases plant costs—proceeds from the fact that the large nuclear centers have not yet reached the maintenance level of thermo-electric plants. This fact has created several difficulties for Enel, the only Italian industry which, as has been noted, has not been able, until last year, to draw upon its own capital. On the other hand, in order to effect the construction, Enel has granted annually to Enel for 5 years as a basic endowment with the approximately 325 billion lire which is the present cost of only one of the nuclear centers planned. The construction cost cannot deny that the extent of this grant is practically insignificant in relation to Enel's program. This fact has been noted repeatedly, even by parliament.

In effect, the investments required for the development of nuclear plants is such to transcend company limits and to assume the importance of a national concern. To complete Enel's future plans in the field of nuclear energy is the common activity—in collaboration with CNEN and with national industries—for the realization of the above mentioned 40,000 kW prototype. CIPE and CNEN are currently studying this new type of advanced converter reactor which was originally conceived in Italy. It combines favorable economic prospects with the advantage of the use of natural uranium. Finally, international collaboration, supported by Enel since 1968 in EURATOM and later in the European Community, has been established for the development of self-sufficient reactors using high-speed neutrons which would permit the utilization of natural uranium 60-80 times its current capacity.

Regarding this international cooperation, Enel—after receiving the necessary authorization as a result of Law 856 of December 18, 1972—has equal participation with the French electrical industry and the German RWE society in the development of the aforementioned self-sufficient reactors. These reactors are hoped to be the long-range answers to the problem of national independence in regard to the provisioning of primary energy sources for the production of electrical energy.

Lastly, it must be emphasized that operational experience of nuclear plants has demonstrated the security and the high standard of cleanliness of this type of production, second only to the use of hydroelectricity. From this beginning of the use of nuclear energy until today—currently there are 45 million nuclear kW in service—no significant accident concerning nuclear energy has been reported.

Unfortunately, in some countries, and particularly in Italy, there exists a widespread public opinion that desires the boycott of the construction of thermo-electric centers as well as that of nuclear plants, despite the assurance of national organizations such as the Atomic Commission. It would be difficult to exaggerate the consequences of such a situation, which would threaten to limit irreparably the contribution which nuclear energy can and must give to the solution of the energy crisis.

Scientific and Technical Research

In the five years from 1969 to 1974, Enel has spent 66 billion lire for scientific and technical research in this field. Enel avails itself of either its own research centers, the CNR institutes (for the electro-mechanical division) CIPE institutes (for all the nuclear sector), ISMES (for structure models), university sources. Among the principal works to be noted, Enel's study of the transmission of extremely high-tension electrical energy (1,050 kV), in collaboration with the national electro-mechanical industry, relating to the management of power networks, studies directed at the perfection of the structure of the super network of European electrical interconnections, conducted in collaboration with UNIPED in view of the new nuclear entities—studied in the field of electro-mechanical and on the automation and utilization of its centers.

Activity in Southern Italy

In the territorial division of activities, Enel has given special consideration to the testing of the whole of Italy, in line with the development objectives set forth by the Program for the National Economy. The southern zones have always been more extensive in production of electricity, and in the remainder of the national territory. For the expansion of distribution areas, since the south are for the most part areas of radical restructuring and adequate enlargement, Enel has developed—beyond the provisions of routine operations—extraordinary programs at a cost of 100 billion lire, so that, under these assumptions, the total amount of investment in the period from 1973, was allocated to southern Italy. This figure corresponds to 42 per cent of all investments made in distribution plans throughout the whole of Italy, though the consumption of energy in this region did not exceed 24 per cent of the national total. These figures emphasize the enormous standards adopted by Enel in regard to the provision of these fundamental structures for the development of industrialization and every other type of productive activity.

Noteworthy progress has been made with substantial help from the state in bringing electricity to rural areas, which on average cost more than 70 per cent, southern Italy. While in 1969 residents without electrical service throughout the entire national territory numbered 1,000, of whom 1,200,000 were permanent residents in homes connected to the service network, by the end of 1973 this figure was reduced to 960,000, with 547,000 residents in homes with electricity. With further extensions of existing networks, in addition to those already begun, this figure will be reduced to 644,000, of whom 320,000 will be permanent residents of homes without electricity.

In view of these undeniable important facts one cannot but regret the fact that if Enel were allowed to realize, in accordance with its projects schedules, the production plants until now obstructed by unfavorable public opinion, there would be no fear of its being able to meet the demand for electric energy in the near future.

A positive note, in this regard, is the construction in recent times—less than one year—of the 380 kV Rome-Florence electric duct. This project was scheduled to begin in 1968 but was authorized only at the beginning of 1974. This electric duct connects the high tension network of the central-south with that of the north (which is already connected to the European network); accents the consequences of the obstacles to the production of new plants—obstacles which are most damaging to central-southern Italy.

7/17/75	Stocks and	3 1/2	3 p.m. pre	Chg
High. Low.	Div in \$	P/E 100s.	High Low Quot.	Clse

(Continued on next page.)

New York Stock Exchange Trading (3 O'clock)

Stocks and Bonds	High	Low	Open	Close
5000	100.00	99.00	100.00	99.00
10000	100.00	99.00	100.00	99.00
15000	100.00	99.00	100.00	99.00
20000	100.00	99.00	100.00	99.00
25000	100.00	99.00	100.00	99.00
30000	100.00	99.00	100.00	99.00
35000	100.00	99.00	100.00	99.00
40000	100.00	99.00	100.00	99.00
45000	100.00	99.00	100.00	99.00
50000	100.00	99.00	100.00	99.00
55000	100.00	99.00	100.00	99.00
60000	100.00	99.00	100.00	99.00
65000	100.00	99.00	100.00	99.00
70000	100.00	99.00	100.00	99.00
75000	100.00	99.00	100.00	99.00
80000	100.00	99.00	100.00	99.00
85000	100.00	99.00	100.00	99.00
90000	100.00	99.00	100.00	99.00
95000	100.00	99.00	100.00	99.00
100000	100.00	99.00	100.00	99.00

U.S. Commodity Prices

FELER (5.000 ton)				
Feb	424.50	425.93	424.50	425.93
Mar	427.00	428.00	427.00	428.00
Apr	429.50	429.50	429.50	429.50
May	432.00	432.00	432.00	432.00
Jun	434.50	434.50	434.50	434.50
Jul	437.00	437.00	437.00	437.00
Aug	439.50	439.50	439.50	439.50
Sep	442.00	442.00	442.00	442.00
Oct	444.50	444.50	444.50	444.50
Nov	447.00	447.00	447.00	447.00
Dec	449.50	449.50	449.50	449.50
Jan	452.00	452.00	452.00	452.00
Feb	454.50	454.50	454.50	454.50
Mar	457.00	457.00	457.00	457.00
Apr	459.50	459.50	459.50	459.50
May	462.00	462.00	462.00	462.00
Jun	464.50	464.50	464.50	464.50
Jul	467.00	467.00	467.00	467.00
Aug	469.50	469.50	469.50	469.50
Sep	472.00	472.00	472.00	472.00
Oct	474.50	474.50	474.50	474.50
Nov	477.00	477.00	477.00	477.00
Dec	479.50	479.50	479.50	479.50
Jan	482.00	482.00	482.00	482.00
Feb	484.50	484.50	484.50	484.50
Mar	487.00	487.00	487.00	487.00
Apr	489.50	489.50	489.50	489.50
May	492.00	492.00	492.00	492.00
Jun	494.50	494.50	494.50	494.50
Jul	497.00	497.00	497.00	497.00
Aug	499.50	499.50	499.50	499.50
Sep	502.00	502.00	502.00	502.00
Oct	504.50	504.50	504.50	504.50
Nov	507.00	507.00	507.00	507.00
Dec	509.50	509.50	509.50	509.50
Jan	512.00	512.00	512.00	512.00
Feb	514.50	514.50	514.50	514.50
Mar	517.00	517.00	517.00	517.00
Apr	519.50	519.50	519.50	519.50
May	522.00	522.00	522.00	522.00
Jun	524.50	524.50	524.50	524.50
Jul	527.00	527.00	527.00	527.00
Aug	529.50	529.50	529.50	529.50
Sep	532.00	532.00	532.00	532.00
Oct	534.50	534.50	534.50	534.50
Nov	537.00	537.00	537.00	537.00
Dec	539.50	539.50	539.50	539.50
Jan	542.00	542.00	542.00	542.00
Feb	544.50	544.50	544.50	544.50
Mar	547.00	547.00	547.00	547.00
Apr	549.50	549.50	549.50	549.50
May	552.00	552.00	552.00	552.00
Jun	554.50	554.50	554.50	554.50
Jul	557.00	557.00	557.00	557.00
Aug	559.50	559.50	559.50	559.50
Sep	562.00	562.00	562.00	562.00
Oct	564.50	564.50	564.50	564.50
Nov	567.00	567.00	567.00	567.00
Dec	569.50	569.50	569.50	569.50
Jan	572.00	572.00	572.00	572.00
Feb	574.50	574.50	574.50	574.50
Mar	577.00	577.00	577.00	577.00
Apr	579.50	579.50	579.50	579.50
May	582.00	582.00	582.00	582.00
Jun	584.50	584.50	584.50	584.50
Jul	587.00	587.00	587.00	587.00
Aug	589.50	589.50	589.50	589.50
Sep	592.00	592.00	592.00	592.00
Oct	594.50	594.50	594.50	594.50
Nov	597.00	597.00	597.00	597.00
Dec	599.50	599.50	599.50	599.50
Jan	602.00	602.00	602.00	602.00
Feb	604.50	604.50	604.50	604.50
Mar	607.00	607.00	607.00	607.00
Apr	609.50	609.50	609.50	609.50
May	612.00	612.00	612.00	612.00
Jun	614.50	614.50	614.50	614.50
Jul	617.00	617.00	617.00	617.00
Aug	619.50	619.50	619.50	619.50
Sep	622.00	622.00	622.00	622.00
Oct	624.50	624.50	624.50	624.50
Nov	627.00	627.00	627.00	627.00
Dec	629.50	629.50	629.50	629.50
Jan	632.00	632.00	632.00	632.00
Feb	634.50	634.50	634.50	634.50
Mar	637.00	637.00	637.00	637.00
Apr	639.50	639.50	639.50	639.50
May	642.00	642.00	642.00	642.00
Jun	644.50	644.50	644.50	644.50
Jul	647.00	647.00	647.00	647.00
Aug	649.50	649.50	649.50	649.50
Sep	652.00	652.00	652.00	652.00
Oct	654.50	654.50	654.50	654.50
Nov	657.00	657.00	657.00	657.00
Dec	659.50	659.50	659.50	659.50
Jan	662.00	662.00	662.00	662.00
Feb	664.50	664.50	664.50	664.50
Mar	667.00	667.00	667.00	667.00
Apr	669.50	669.50	669.50	669.50
May	672.00	672.00	672.00	672.00
Jun	674.50	674.50	674.50	674.50
Jul	677.00	677.00	677.00	677.00
Aug	679.50	679.50	679.50	679.50
Sep	682.00	682.00	682.00	682.00
Oct	684.50	684.50	684.50	684.50
Nov	687.00	687.00	687.00	687.00
Dec	689.50	689.50	689.50	689.50
Jan	692.00	692.00	692.00	692.00
Feb	694.50	694.50	694.50	694.50
Mar	697.00	697.00	697.00	697.00
Apr	699.50	699.50	699.50	699.50
May	702.00	702.00	702.00	702.00
Jun	704.50	704.50	704.50	704.50
Jul	707.00	707.00	707.00	707.00
Aug	709.50	709.50	709.50	709.50
Sep	712.00	712.00	712.00	712.00
Oct	714.50	714.50	714.50	714.50
Nov	717.00	717.00	717.00	717.00
Dec	719.50	719.50	719.50	719.50
Jan	722.00	722.00	722.00	722.00
Feb	724.50	724.50	724.50	724.50
Mar	727.00	727.00	727.00	727.00
Apr	729.50	729.50	729.50	729.50
May	732.00	732.00	732.00	732.00
Jun	734.50	734.50	734.50	734.50
Jul	737.00	737.00	737.00	737.00
Aug	739.50	739.50	739.50	739.50
Sep	742.00	742.00	742.00	742.00
Oct	744.50	744.50	744.50	744.50
Nov	747.00	747.00	747.00	747.00
Dec	749.50	749.50	749.50	749.50
Jan	752.00	752.00	752.00	752.00
Feb	754.50	754.50	754.50	754.50
Mar	757.00	757.00	757.00	757.00
Apr	759.50	759.50	759.50	759.50
May	762.00	762.00	762.00	762.00
Jun	764.50	764.50	764.50	764.50
Jul	767.00	767.00	767.00	767.00
Aug	769.50	769.50	769.50	769.50
Sep	772.00	772.00	772.00	772.00
Oct	774.50	774.50	774.50	774.50
Nov	777.00	777.00	777.00	777.00
Dec	779.50	779.50	779.50	779.50
Jan	782.00	782.00	782.00	782.00
Feb	784.50	784.50	784.50	784.50
Mar	787.00	787.00	787.00	787.00
Apr	789.50	789.50	789.50	789.50
May	792.00	792.00	792.00	792.00
Jun	794.50	794.50	794.50	794.50
Jul	797.00	797.00	797.00	797.00
Aug	799.50	799.50	799.50	799.50
Sep	802.00	802.00	802.00	802.00
Oct	804.50	804.50	804.50	804.50
Nov	807.00	807.00	807.00	807.00
Dec	809.50	809.50	809.50	809.50
Jan	812.00	812.00	812.00	812.00
Feb	814.50	814.50	814.50	814.50
Mar	817.00	817.00	817.00	817.00
Apr	819.50	819.50	819.50	819.50
May	822.00	822.00	822.00	822.00
Jun	824.50	824.50	824.50	824.50
Jul	827.00	827.00	827.00	827.00
Aug	829.50	829.50	829.50	829.50
Sep	832.00	832.00	832.00	832.00
Oct	834.50	834.50	834.50	834.50
Nov	837.00	837.00	837.00	837.00
Dec	839.50	839.50	839.50	839.50
Jan	842.00	842.00	842.00	842.00
Feb	844.50	844.50	844.50	844.50
Mar	847.00	847.00	847.00	847.00
Apr	849.50	849.50	849.50	849.50
May	852.00	852.00	852.00	852.00
Jun	854.50	854.50	854.50	854.50
Jul	857.00	857.00	857.00	857.00
Aug	859.50	859.50	859.50	859.50
Sep	862.00	862.00	862.00	862.00
Oct	864.50	864.50	864.50	864.50
Nov	867.00	867.00	867.00	867.00
Dec	869.50	869.50	869.50	869.50
Jan	872.00	872.00	872.00	872.00
Feb	874.50	874.50	874.50	874.50
Mar	877.00	877.00	877.00	877.00
Apr	879.50	879.50	879.50	879.50
May	882.00	882.00	882.00	882.00
Jun	884.50	884.50	884.50	884.50
Jul	887.00	887.00	887.00	887.00
Aug	889.50	889.50	889.50	889.50
Sep	892.00	892.00	892.00	892.00
Oct	894.50	894.50	894.50	894.50
Nov	897.00	897.00	897.00	897.00
Dec	899.50	899.50	899.50	899.50
Jan	902.00	902.00	902.00	902.00
Feb	904.50	904.50	904.50	904.50
Mar	907.00	907.00	907.00	907.00
Apr	909.50	909.50	909.50	909.50
May	912.00	912.00	912.00	912.00
Jun	914.50	914.50	914.50	914.50
Jul	917.00	917.00	917.00	917.00
Aug	919.50	919.50	919.50	919.50
Sep	922.00	922.00	922.00	922.00
Oct	924.50	924.50	924.50	924.50
Nov	927.00	927.00	927.00	927.00
Dec	929.50	929.50	929.50	929.50
Jan	932.00	932.00	932.00	932.00
Feb	934.50	934.50	934.50	934.50
Mar	937.00	937.00	937.00	937.00
Apr	939.50	939.50	939.50	939.50
May	942.00	942.00	942.00	942.00
Jun	944.50	944.50	944.50	944.50
Jul	947.00	947.00	947.00	947.00
Aug	949.50	949.50	949.50	949.50
Sep	952.00	952.00	952.00	952.00
Oct	954.50	954.50	954.50	954.50
Nov	957.00	957.00	957.00	957.00
Dec	959.50	959.50	959.50	959.50
Jan	962.00	962.00	962.00	962.00
Feb	964.50	964.50	964.50	964.50
Mar	967.00	967.00	967.00	967.00
Apr	969.50	969.50	969.50	969.50
May	972.00	972.00	972.00	972.00
Jun	974.50	974.50	974.50	974.50
Jul	977.00	977.00	977.00	977.00
Aug	979.50	979.50	979.50	979.50
Sep	982.00	982.00	982.00	982.00
Oct	984.50	984.50	984.50	984.50
Nov	987.00	987.00	987.00	987.00
Dec	989.50	989.50	989.50	989.50
Jan	992.00	992.00	992.00	992.00
Feb	994.50	994.50	994.50	994.5

7-7/8% High-Low.	Stocks and Div in \$	51% P/E 100s	High Low	3 p.m. per Close	Chg per Close	7-7/8% High-Low.	Stocks and Div in \$	51% P/E 100s	High Low	3 p.m. per Close	Chg per Close	7-7/8% High-Low.	Stocks and Div in \$	51% P/E 100s	High Low	3 p.m. per Close	Chg per Close	
11%	7/8 Brg B pft. 15	2	11 1/4	11 1/4	1/4	3	3/4 Gaylord Nat	5	1	1 1/2	1 1/4	11 1/4	16	6/8 Hensch 34	2	1 1/2	1 1/4	15 1/4
4 1/2	3/4 Berzantoni					4	3/4 GenCorp	5	1	1 1/2	1 1/4	11 1/4	16	6/8 Hensch 34	2	1 1/2	1 1/4	15 1/4
5 1/2	3/4 Berzantoni	5	1	1 1/2	1 1/4	2 1/2	1/4 GenCorp	5	1	1 1/2	1 1/4	11 1/4	16	6/8 Hensch 34	2	1 1/2	1 1/4	15 1/4
5 1/2	3/4 Berzantoni	5	1	1 1/2	1 1/4	2 1/2	1/4 GenCorp	5	1	1 1/2	1 1/4	11 1/4	16	6/8 Hensch 34	2	1 1/2	1 1/4	15 1/4
5 1/2	3/4 Berzantoni	5	1	1 1/2	1 1/4	2 1/2	1/4 GenCorp	5	1	1 1/2	1 1/4	11 1/4	16	6/8 Hensch 34	2	1 1/2	1 1/4	15 1/4
5 1/2	3/4 Berzantoni	5	1	1 1/2	1 1/4	2 1/2	1/4 GenCorp	5	1	1 1/2	1 1/4	11 1/4	16	6/8 Hensch 34	2	1 1/2	1 1/4	15 1/4
5 1/2	3/4 Berzantoni	5	1	1 1/2	1 1/4	2 1/2	1/4 GenCorp	5	1	1 1/2	1 1/4	11 1/4	16	6/8 Hensch 34	2	1 1/2	1 1/4	15 1/4
5 1/2	3/4 Berzantoni	5	1	1 1/2	1 1/4	2 1/2	1/4 GenCorp	5	1	1 1/2	1 1/4	11 1/4	16	6/8 Hensch 34	2	1 1/2	1 1/4	15 1/4
5 1/2	3/4 Berzantoni	5	1	1 1/2	1 1/4	2 1/2	1/4 GenCorp	5	1	1 1/2	1 1/4	11 1/4	16	6/8 Hensch 34	2	1 1/2	1 1/4	15 1/4
5 1/2	3/4 Berzantoni	5	1	1 1/2	1 1/4	2 1/2	1/4 GenCorp	5	1	1 1/2	1 1/4	11 1/4	16	6/8 Hensch 34	2	1 1/2	1 1/4	15 1/4
5 1/2	3/4 Berzantoni	5	1	1 1/2	1 1/4	2 1/2	1/4 GenCorp	5	1	1 1/2	1 1/4	11 1/4	16	6/8 Hensch 34	2	1 1/2	1 1/4	15 1/4
5 1/2	3/4 Berzantoni	5	1	1 1/2	1 1/4	2 1/2	1/4 GenCorp	5	1	1 1/2	1 1/4	11 1/4	16	6/8 Hensch 34	2	1 1/2	1 1/4	15 1/4
5 1/2	3/4 Berzantoni	5	1	1 1/2	1 1/4	2 1/2	1/4 GenCorp	5	1	1 1/2	1 1/4	11 1/4	16	6/8 Hensch 34	2	1 1/2	1 1/4	15 1/4
5 1/2	3/4 Berzantoni	5	1	1 1/2	1 1/4	2 1/2	1/4 GenCorp	5	1	1 1/2	1 1/4	11 1/4	16	6/8 Hensch 34	2	1 1/2	1 1/4	15 1/4
5 1/2	3/4 Berzantoni	5	1	1 1/2	1 1/4	2 1/2	1/4 GenCorp	5	1	1 1/2	1 1/4	11 1/4	16	6/8 Hensch 34	2	1 1/2	1 1/4	15 1/4
5 1/2	3/4 Berzantoni	5	1	1 1/2	1 1/4	2 1/2	1/4 GenCorp	5	1	1 1/2	1 1/4	11 1/4	16	6/8 Hensch 34	2	1 1/2	1 1/4	15 1/4
5 1/2	3/4 Berzantoni	5	1	1 1/2	1 1/4	2 1/2	1/4 GenCorp	5	1	1 1/2	1 1/4	11 1/4	16	6/8 Hensch 34	2	1 1/2	1 1/4	15 1/4
5 1/2	3/4 Berzantoni	5	1	1 1/2	1 1/4	2 1/2	1/4 GenCorp	5	1	1 1/2	1 1/4	11 1/4	16	6/8 Hensch 34	2	1 1/2	1 1/4	15 1/4
5 1/2	3/4 Berzantoni	5	1	1 1/2	1 1/4	2 1/2	1/4 GenCorp	5	1	1 1/2	1 1/4	11 1/4	16	6/8 Hensch 34	2	1 1/2	1 1/4	15 1/4
5 1/2	3/4 Berzantoni																	

2 1/4	1-16	Canverl
7 1/4		Capehart
24 1/4	10 1/4	Cash Ind

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Selected Over-the-Counter Stocks

NEW YORK (AP)		Closing Prices February 7, 1937				Bid Ask			
The following list:									
Monal	Securities	Chris 6	5 1/2	Ask	6 1/2	Ask	Postl BW	41 1/2	
Secur	Assn, over	Citic 1	58	99	Jancty	12 1/2	10 1/2	Phirzin	17 1/2
Secur	Assn, over	Citic 2	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 3	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 4	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 5	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 6	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 7	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 8	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 9	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 10	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 11	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 12	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 13	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 14	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 15	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 16	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 17	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 18	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 19	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 20	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 21	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 22	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 23	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 24	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 25	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 26	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 27	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 28	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 29	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 30	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 31	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 32	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 33	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 34	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 35	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn, over	Citic 36	1 1/2	3 1/2	Uny Pds	41	41 1/2	Philo L	19 1/2
Secur	Assn								

[illegible]

Swiss Real Estate
(FOREIGN OWNERSHIP)

VILLAS—THE ULTIMATE IN LIVING

Several high-quality studios and spacious one and two-bedroom apartments available with large balconies and heated garages. Tennis and riding stables on premises, golf course, skilifts and all other summer and winter sports minutes away.

PRICES: S.Fr. 59,000 to S.Fr. 211,000 with financing terms.
WHY PAY MORE.

Price increase of 8% anticipated May or June 1st, 1975.

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Currency Rates

By reading across this table of yesterday's closing inter-bank foreign exchange rates, one can find the values of the major currencies in the national currencies of each of the following financial centers. These rates do not take into account bank service charges.

	London	Paris	Frankfurt	Geneva	Basel	Brussels	Amsterdam	Antwerp	London	Paris	Frankfurt	Geneva	Basel	Brussels	Amsterdam	Antwerp
U.S. dollar	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500
French franc	33.3000	1.0000	14.8400	1.0000	14.8400	1.0000	33.3000	1.0000	33.3000	1.0000	14.8400	33.3000	1.0000	33.3000	1.0000	14.8400
Belgian franc	2.3500	8.5000	1.0000	1.0000	1.0000	1.0000	2.3500	8.5000	2.3500	8.5000	1.0000	2.3500	8.5000	2.3500	8.5000	1.0000
Swiss franc	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500
Italian lire	6.1170	155.2000	172.1000	6.1170	155.2000	172.1000	6.1170	155.2000	6.1170	155.2000	172.1000	6.1170	155.2000	172.1000	6.1170	155.2000
Spanish peseta	165.4700	165.4700	165.4700	165.4700	165.4700	165.4700	165.4700	165.4700	165.4700	165.4700	165.4700	165.4700	165.4700	165.4700	165.4700	165.4700
Portuguese escudo	200.4800	200.4800	200.4800	200.4800	200.4800	200.4800	200.4800	200.4800	200.4800	200.4800	200.4800	200.4800	200.4800	200.4800	200.4800	200.4800
Japanese yen	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500
Chinese dollar	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500
Indonesian dollar	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500
Philippine peso	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500
Thai baht	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500
Siamese baht	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500
Indonesian dollar	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500
Malayan dollar	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500
Sumatran dollar	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500
Indonesian dollar	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500
Indonesian dollar	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500	1.4515	5.1500	20.2500	1.4515	5.1500	20.2500	1.4515	5.1500

[illegible]

**American Company needs an independent
MANAGEMENT
CONSULTANT**

to administer the closing of a medium-sized manufacturing and marketing subsidiary located in West Germany.

The job will involve responsibility for planning the liquidation, the termination of personnel as well as the sale of all assets, or their transfer to other subsidiaries.

The individual should be fluent in German (preferably German mother tongue). He should have experience in the administration of manufacturing operations, and be familiar with German business customs and business laws.

The position is available immediately. The length of the project should be about one year, and may lead to future employment in one of the company's subsidiaries outside of Germany. Compensation will be either on a salary or a fee basis commensurate with qualifications.

If interested, please send resume to: Box D 4772, Herald Tribune, Paris.

COMPANIONS—By William Lutwiniak

DOWN	DOWN	DOWN	DOWN	DOWN
25 Turkish peak	41 Round alert	67 Alp-slow offering	83 Wholly known	103 Tires companion
26 Time and work	42 Cold gentlemen	68 Alp-slow offering	84 Wholly known	104 Tires companion
27 Brink together	43 Extreme disgust	69 Exaggerate	85 Small change	105 Aids and others
28 Bounding and	44 Repetitive	70 Whiffed Ray's estate	86 Whiffed	106 Whiffed
29 Spanish	45 Stopping	71 French	87 Laundry additive	107 U.S. racket
30 Bodily Suffix	46 Look right on	72 Indian at West	88 Obscure	108 Glean-proof
31 Sitting up	47 Norm ending	73 Nuke void	89 Nuke on the	109 Playing cards
32 -out (scolds)	48 Western capital	74 Yellow-tone sight	90 Fool	110 Impairment
33 Cervera's	49 -ness	75 -ness	91 Carry on	111 Carry on
34 -ness	50 At another time	76 Soap as -	92 Laundry sinned	112 Fence's blade
35 Carriers Suffix	51 Practice	77 Aspect	93 Altruism	113 Altruism
36 Attack	52 Festive affairs	78 Pa-pawp entries	94 Tent leading	114 Spanish article
		79 Chess crown	95 Write James	115 Wash, men
			96 Letter	

A Biography

Reviewed by Christopher Lehmann-Haupt

The last art theft at the Athenaeum occurred in 1970. A wood-panel painting by Salvador Dali valued at \$30,000 was taken. It was recovered in good condition.

The last art theft at the Athenaeum occurred in 1970. A wood-panel painting by Salvador Dali valued at \$50,000 was taken. It was recovered in good condition.


The last art theft at the Athenaeum occurred in 1970. A wood-panel painting by Salvador Dali valued at \$50,000 was taken. It was recovered in good condition.

Athenaeum occurred in 1910. A wood-panel painting by Salvador Dali valued at \$50,000 was taken. It was recovered in good condition.

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Yesterday's
 ignored: *There's no point in being so
 outspoken* — "BLUET"



"HEY, DID YOU KNOW MR. WILSON HAS A *BRASS MONKEY*?"

"HEY, DID YOU KNOW MR. WILSON HAS A **BRASS MONKEY**?"

79

C F			C F				
ALGARVE.....	14	37	Overall	MADRID.....	9	48	Overcast
AMSTERDAM.....	3	37	Clear	BULAN.....	12	43	Clear
ANGORA.....	14	37	Cloudy	BURGAS.....	10	43	Clear
ATHENS.....	14	37	Clear	BOSNOC.....	11	41	Snow
BEIRUT.....	14	37	Clear	BRUX.....	4	39	Clear
BLGORADE.....	4	39	Clear	MEIN SUR.....	2	44	Sunny
BELGRADE.....	14	37	Cloudy	BRNO.....	1	42	Clear
BRESCIA.....	5	46	Clear	PARIS.....	1	39	Fog
BUDAPEST.....	—	—	Unavailable	PRAG.....	11	42	Clear
CAIRO.....	14	37	Clear	PRISTINA.....	1	42	Clear
CASABLANCA.....	10	46	Cloudy	ROME.....	10	48	Clear
COPENHAGEN.....	4	38	Clear	SOFIA.....	3	41	Clear
COLOGNE.....	14	37	Cloudy	ST. COLUM.....	1	42	Clear
DUBLIN.....	6	41	Cloudy	TEHRAN.....	4	37	Cloudy
EDINBURGH.....	4	39	Overcast	TEL AVIV.....	16	61	Cloudy
FRANKFURT.....	5	43	Decreased	TRIESTE.....	1	42	Clear
GENOVA.....	5	41	Clear	VENICE.....	9	42	Fog
HELSINKI.....	1	39	Cloudy	VIENNA.....	9	48	Clear
HONGKONG.....	14	37	Clear	WARSAW.....	2	36	Snow
LA PALMA.....	20	68	Cloudy	WASHINGTON.....	1	42	Clear
LINCOLN.....	11	37	Cloudy	ZURICH.....	—	39	Fog
LONDON.....	14	37	Cloudy				
LOS ANGELES.....	13	55	Cloudy				

(Yesterday's readings: U.S., Canada at 1700 GMT, others at 1200 GMT.)

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(1) Jardine Selection NV.....	\$11.35		
<p>OM - Deutsche Mark; * - Ex-divi- dend; I - New. N.A. - Not available; SF - Belgian francs; LF - Luxem- bourg francs; SF - Swiss francs; + - Offer prices; a - Asked.</p>			

W. Japan Pacific Fund....	\$11.29	OM - Deutsche Mark: *	Ex-divi-
JARDINE FLEMING:		dend: 1 - New. N.A. -	Not available;
- (1) Jardine East. Trust..	\$44.01	BP - Belgian francs:	LF Luxembourg-
- (1) Jardine Japan Fund..	\$33.80	francs:	SF - Swiss francs:
- (2) Jardine Selection NV	\$11.35	+	- Offer prices: a - Asked.
